

Also, petition of Mrs. Helen S. Brocket, for the Kittredge and Barchfeld copyright bills—to the Committee on Patents.

Also, petition of William Verlieck, favoring H. R. 11336, to promote military training in educational institutions of the United States—to the Committee on Military Affairs.

Also, petition of W. D. Hamilton, for a volunteer officers' retired list law—to the Committee on Military Affairs.

Also, petition of A. N. Danks, against the Currier copyright bill—to the Committee on Patents.

Also, petition of Harry Rogers, for the Kittredge copyright bill—to the Committee on Patents.

Also, petition of National Association of Clothiers, against the Aldrich bill and in favor of the Fowler bill—to the Committee on Banking and Currency.

Also, petition of Andrew Carnegie and other citizens of New York, against extravagance in battle-ship building—to the Committee on Naval Affairs.

Also, petition of A. H. De Haven, against the Hepburn bill—to the Committee on Interstate and Foreign Commerce.

By Mr. TOWNSEND: Petition of Scott Post, No. 43, of Blissfield, Mich., and civil war veterans of Belleville, Mich., for Sherwood bill—to the Committee on Invalid Pensions.

Also, petition of Grand Rapids (Mich.) Credit Men's Association, in behalf of H. R. 13266—to the Committee on the Judiciary.

Also, petition of civil war veterans of Romulus, Mich., for Sherwood bill—to the Committee on Invalid Pensions.

Also, petition of United Mine Workers of America, for woman suffrage—to the Committee on the Judiciary.

Also, petition of Military Order of Loyal Legion of the United States, Commandery of District, for a volunteer officers' retired list—to the Committee on Military Affairs.

## SENATE.

TUESDAY, March 10, 1908.

Prayer by the Chaplain, Rev. EDWARD E. HALE.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. KEAN, and by unanimous consent, the further reading was dispensed with.

The VICE-PRESIDENT. The Journal stands approved.

### CHOCTAW AND CHICKASAW CITIZENSHIP COURT.

The VICE-PRESIDENT laid before the Senate a communication from the Attorney-General, transmitting, by order of the President and in response to a resolution of the Senate of the 2d instant, a copy of the proceedings of the Choctaw and Chickasaw citizenship court in connection with the ascertainment of the compensation of the attorneys for these nations of Indians, etc., which, with the accompanying paper, was referred to the Committee on Indian Affairs and ordered to be printed.

### USELESS PAPERS IN EXECUTIVE DEPARTMENTS.

The VICE-PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, schedules, documents, etc., on the files of the Department not needed in the transaction of public business, which was read.

The VICE-PRESIDENT. The communication will be referred to the Joint Committee on the Disposition of Useless Papers in the Executive Departments. The Chair appoints as the members of that committee on the part of the Senate, the Senator from Texas [Mr. BAILEY] and the Senator from New Hampshire [Mr. GALLINGER], and directs the Secretary to notify the House of Representatives of this action.

### FINDINGS OF THE COURT OF CLAIMS.

The VICE-PRESIDENT laid before the Senate communications from the assistant clerk of the Court of Claims, transmitting certified copies of the findings of fact filed by the court in the following causes:

In the cause of the Trustees of the Methodist Episcopal Church of Paw Paw, W. Va., v. United States; and

In the cause of the Trustees of the Ewing Institute of Perryville, Ky., v. United States.

The foregoing findings were, with the accompanying papers, referred to the Committee on Claims and ordered to be printed.

### PETITIONS AND MEMORIALS.

The VICE-PRESIDENT presented a petition of the Chamber of Commerce of Honolulu, Territory of Hawaii, praying for the enactment of legislation providing for an increase in the pay of the officers and enlisted men of the Army and Navy, which was referred to the Committee on Military Affairs.

He also presented the petition of Robert D. Kinney, of Philadelphia, Pa., praying that a rehearing be granted by the circuit court of the United States for the eastern district of Pennsylvania in the case of Anthony Scott v. Alice B. Kinney, trading as R. D. Kinney & Co., which was referred to the Committee on the Judiciary.

He also presented the petition of Robert D. Kinney, of Philadelphia, Pa., praying that an investigation be made and redress granted for the course pursued in the name of the Supreme Court of the United States in the case of Robert D. Kinney v. James T. Mitchell, which was referred to the Committee on the Judiciary.

He also presented the petition of Robert D. Kinney, of Philadelphia, Pa., praying that an investigation be made and a rehearing be granted in the case of Alice B. Kinney, of Philadelphia, Pa., trading as R. D. Kinney & Co., v. Edwin Burhorn, of Hoboken, N. J., and Abbott D. Granger, of Brooklyn, N. Y., copartners, which was referred to the Committee on the Judiciary.

He also presented the petition of Robert D. Kinney, of Philadelphia, Pa., praying that the circuit court of the United States for the eastern district of Pennsylvania grant a rehearing in the case of Robert D. Kinney in right of Alice B., his wife, petitioner, v. Hon. John B. McPherson, United States Judge, circuit court for the eastern district of Pennsylvania, which was referred to the Committee on the Judiciary.

Mr. BRIGGS presented a memorial of the Whitney Glass Works, of Glassboro, N. J., and a memorial of A. T. Schlichting Company, of Newark, N. J., remonstrating against the enactment of legislation to regulate the interstate transportation of intoxicating liquors, which were referred to the Committee on the Judiciary.

He also presented the petition of F. Schniewind, of Englewood, N. J., praying for the enactment of legislation to create a Bureau of Mines in the Department of the Interior, which was referred to the Committee on Mines and Mining.

He also presented a petition of Local Union No. 24, Musicians' Protective Union, of New Brunswick, N. J., and a petition of Local Union No. 248, American Federation of Musicians, of Paterson, N. J., praying for the enactment of legislation to prohibit Army and Navy bands from entering into competition with civilian bands, which were referred to the Committee on Military Affairs.

He also presented the petition of Merritt W. Griswold, of Highwood, N. J., praying for the adoption of an amendment to the bill granting pensions to retired officers of the civil war so as to include those who served three months, which was referred to the Committee on Military Affairs.

He also presented the petition of Martha Shepard Lippincott, of Moorestown, N. J., praying for the passage of the so-called "Kittredge copyright bill," which was referred to the Committee on Patents.

He also presented a memorial of the New York Board of Trade and Transportation, of New York City, N. Y., remonstrating against the adoption of certain amendments to the present pure food and drug law relating to the standards for foods and drugs, which was referred to the Committee on Manufactures.

He also presented petitions of sundry citizens of Montclair, Newark, Camden, and Harrison, all in the State of New Jersey, and of New York City, N. Y., praying for the enactment of legislation providing for the conservation of the national forests of the country, which were referred to the Committee on Forest Reservations and the Protection of Game.

He also presented a petition of Pioneer Grange, No. 1, Patrons of Husbandry, of Cranbury, N. J., praying for the passage of the so-called "parcels-post bill," and also for the establishment of postal-savings banks, which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a petition of the Woman's Club of Orange, N. J., praying for the enactment of legislation to regulate the employment of child labor in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a petition of the congregation of the First Methodist Episcopal Church of Vineland, N. J., praying for the enactment of legislation to prohibit the manufacture and sale of intoxicating liquors in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a petition of Local Grange No. 11, Patrons of Husbandry, of Vineland, N. J., and a petition of Pioneer Grange, No. 1, Patrons of Husbandry, of Cranbury, N. J., praying for the enactment of legislation providing for the appointment of a national highways commission, which were referred to the Committee on Agriculture and Forestry.

He also presented the petition of C. A. L. Massie, of Hacken-

sack, N. J., and the petition of D. G. Garabrant, of Bloomfield, N. J., praying for the passage of the so-called "Fowler currency bill," which were referred to the Committee on Finance.

He also presented a petition of the Woman's Club of Orange, N. J., praying for the enactment of legislation to regulate the employment of child labor, which was referred to the Committee on Education and Labor.

He also presented memorials of the Cumberland Glass Manufacturing Company, of Bridgeton; of the Esterbrook Steel Pen Manufacturing Company, of Camden; of the Baker Printing Company, of Newark, and of the Botany Worsted Mills, of Passaic, all in the State of New Jersey, remonstrating against the passage of the so-called "Gardner eight-hour bill," which were referred to the Committee on Education.

He also presented the petition of George Crocker, of Darlington, N. J., and the petition of F. H. Thompson, of Newark, N. J., praying for the enactment of legislation providing for the Federal registration of automobiles, which were referred to the Committee on the Judiciary.

Mr. PLATT presented a memorial of sundry citizens of Yonkers, N. Y., remonstrating against the ratification of the pending treaty of arbitration between the United States and Great Britain, which was referred to the Committee on Foreign Relations.

He also presented a petition of Otisville Grange, No. 1020, Patrons of Husbandry, of Otisville, N. Y., praying for the passage of the so-called "Burnham bill," providing for the establishment of a rural parcels post, which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a petition of Local Union No. 11, Amalgamated Sheet Metal Workers' International Alliance, of New York City, N. Y., praying for the enactment of legislation providing for the construction of the proposed new battle ships at Government navy-yards, which was referred to the Committee on Naval Affairs.

He also presented a petition of Local Branch No. 44, Glass Bottle Blowers' Association, of Olean, N. Y., praying for the establishment of postal-savings banks, which was referred to the Committee on Post-Offices and Post-Roads.

Mr. NELSON presented a memorial of sundry citizens of Belgrade and Brocton, in the State of Minnesota, remonstrating against the passage of the so-called "parcels-post bill," which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a memorial of sundry citizens of Monticello, Minn., remonstrating against the passage of the bill (H. R. 13477) relating to post-offices and post-roads, which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a petition of the State Dairymen's Association of Minnesota, remonstrating against the repeal of the present oleomargarine law, which was referred to the Committee on Agriculture and Forestry.

Mr. PILES presented petitions of the congregations of the Methodist Episcopal Church of Burlington, of the Free Methodist Church of Arlington, of the Zion Lutheran Free Church, of Everett, and of the Queen Anne Methodist Episcopal Church, of Seattle, all in the State of Washington, praying for the enactment of legislation to prohibit the sale of intoxicating liquors in all Government buildings, which were referred to the Committee on Public Buildings and Grounds.

He also presented a memorial of sundry citizens of Carrollton, Wash., remonstrating against the enactment of legislation to prevent Sunday banking in post-offices in the handling of money orders and registered letters, which was referred to the Committee on Post-Offices and Post-Roads.

Mr. McLAURIN presented a petition of the Board of Supervisors of Clarke County, Miss., praying that an appropriation of \$40,000 be made to reimburse that county for the destruction of the court-house and records during the year 1864, which was referred to the Committee on Claims.

Mr. CULLOM presented a petition of Calumet Lodge, No. 715, Brotherhood of Railroad Trainmen, of South Chicago, Ill., praying for the passage of the so-called "La Follette-Sterling employers' liability bill," which was referred to the Committee on the Judiciary.

Mr. OVERMAN presented sundry petitions of the Independent Tobacco Manufacturers' Association of the United States, of Washington, D. C., remonstrating against the enactment of legislation permitting the sale of leaf tobacco, for consumption, without the payment of the internal-revenue tax, which were referred to the Committee on Finance.

Mr. FRYE presented a petition of Turner Grange, No. 28, Patrons of Husbandry, of Livermore, Me., and a petition of Topsham Grange, No. 37, Patrons of Husbandry, of Topsham, Me., praying for the passage of the so-called "rural parcels-post

bill," which were referred to the Committee on Post-Offices and Post-Roads.

Mr. BURKETT presented a memorial of sundry citizens of College View, Nebr., remonstrating against the enactment of legislation to prevent Sunday banking in post-offices in the handling of money orders and registered letters, which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a petition of the Equal Suffrage Club, of Roca, Nebr., praying for the adoption of an amendment to the Constitution to prohibit the disfranchisement of citizens of the United States on account of sex, which was referred to the Select Committee on Woman Suffrage.

He also presented a petition of Local Union No. 24, Stereotypers and Electrotypers' Union, of Omaha, Nebr., praying for the repeal of the duty on white paper, wood pulp, and the materials used in the manufacture thereof, which was referred to the Committee on Finance.

Mr. LONG presented a petition of the Southwestern Lumbermen's Association of the United States, praying for the adoption of an amendment to the present interstate-commerce law granting a hearing before the Interstate Commerce Commission before any change in interstate freight rates becomes effective, which was referred to the Committee on Interstate Commerce.

He also presented memorials of sundry business firms and citizens of Axtell, Mulvane, Pratt, and Winfield, all in the State of Kansas, remonstrating against the passage of the so-called "parcels-post bill," which were referred to the Committee on Post-Offices and Post-Roads.

He also presented a memorial of Local Union No. 1661, United Mine Workers of America, of Weir, Kans., and the memorial of C. B. Hoffman, of Kansas City, Kans., remonstrating against the passage of the so-called "Penrose bill" to amend the postal laws relating to the freedom of the press, which were referred to the Committee on Post-Offices and Post-Roads.

He also presented a memorial of the Southwestern Lumbermen's Association of the United States, remonstrating against the enactment of legislation providing for the compilation of directories by postmasters containing the names of persons receiving mail at their respective offices, which was referred to the Committee on Post-Offices and Post-Roads.

Mr. RAYNER presented a petition of Cecil Grange, No. 3, Patrons of Husbandry, of Rising Sun, Md., praying for the passage of the so-called "parcels-post bill," which was referred to the Committee on Post-Offices and Post-Roads.

#### STATUE OF JOHN WITHERSPOON.

Mr. BRIGGS. I ask for the consideration of the joint resolution (S. R. 6) directing the selection of a site for the erection of a bronze statue in Washington, D. C., in honor of John Witherspoon.

The VICE-PRESIDENT. The Secretary will read the joint resolution for the information of the Senate.

The joint resolution was read, and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It proposes to create a commission to be composed of the chairman of the Committee on the Library of the Senate, the chairman of the Committee on the Library of the House of Representatives, the Secretary of War, and the chairman of the Witherspoon Memorial Association to select and prepare a site on property belonging to the United States in the city of Washington, other than the grounds of the Capitol or Library of Congress, and erect thereon a suitable pedestal for a statue in bronze of John Witherspoon, a signer of the Declaration of Independence, to be provided by the Witherspoon Memorial Association.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A joint resolution directing the selection of a site and the erection of a pedestal for a bronze statue in Washington, D. C., in honor of John Witherspoon."

#### REPORTS OF COMMITTEES.

Mr. SMOOT, from the Committee on Claims, to whom was referred the bill (H. R. 13875) for the relief of John V. Johnson, reported it without amendment.

Mr. DOLLIVER, from the Committee on Education and Labor, reported an amendment proposing to appropriate \$40,000 to enable the Commissioner of Education to conduct from time to time special investigations respecting industrial education, rural schools, agricultural and mechanical colleges, etc., intended to be proposed to the legislative, etc., appropriation bill, and moved that it be referred to the Committee on Appropriations and printed, which was agreed to.

Mr. CLAPP, from the Committee on Claims, to whom was



referred the bill (S. 5207) for the relief of William Radcliffe, reported it without amendment and submitted a report thereon.

Mr. FULTON, from the Committee on Claims, to whom was referred the bill (H. R. 6902) for the relief of Henry Rustan, reported it without amendment and submitted a report thereon.

Mr. MARTIN, from the Committee on Commerce, to whom were referred the following bills, reported them severally without amendment:

A bill (H. R. 17512) to authorize the county of Ashley, in the State of Arkansas, to construct a bridge across Bayou Bartholomew, Ashley County, Ark., at Wilmot; and

A bill (H. R. 17510) to authorize the county of Ashley, in the State of Arkansas, to construct a bridge across Bayou Bartholomew, Ashley County, Ark., at Portland.

#### BILLS INTRODUCED.

Mr. BANKHEAD introduced a bill (S. 6031) for the relief of John H. Van Pelt, which was read twice by its title and, with the accompanying paper, referred to the Committee on Claims.

He also (by request) introduced a bill (S. 6032) to provide for the construction of an air ship of a new and perfected design, which was read twice by its title and, with the accompanying paper, referred to the Committee on Military Affairs.

Mr. GUGGENHEIM introduced a bill (S. 6033) to provide for the resurvey of certain townships in Colorado, which was read twice by its title and referred to the Committee on Public Lands.

Mr. BOURNE introduced a bill (S. 6034) granting a pension to Sarah Horr, which was read twice by its title and, with the accompanying papers, referred to the Committee on Pensions.

Mr. GAMBLE introduced a bill (S. 6035) authorizing the purchase of additional lands for the Fort Meade Military Reservation, in the State of South Dakota, and making appropriation therefor, which was read twice by its title and referred to the Committee on Military Affairs.

Mr. RICHARDSON introduced a bill (S. 6036) granting an increase of pension to William F. Willis, which was read twice by its title and referred to the Committee on Pensions.

Mr. PERKINS introduced a bill (S. 6037) for the retirement of employees in the classified civil service of the Government, which was read twice by its title and referred to the Committee on Civil Service and Retrenchment.

Mr. NIXON introduced a bill (S. 6038) to provide for the purchase of a site and the erection of a building thereon at Goldfield, Nev., which was read twice by its title and referred to the Committee on Public Buildings and Grounds.

Mr. HEYBURN introduced a bill (S. 6039) to provide for schools and school buildings in connection with projects under the reclamation act and for the construction of municipal improvements, and for other purposes, which was read twice by its title and referred to the Committee on Irrigation and Reclamation of Arid Lands.

Mr. CLAY introduced a bill (S. 6040) for the relief of the estate of Ira W. McCutchen, deceased, which was read twice by its title and referred to the Committee on Claims.

He also introduced a bill (S. 6041) for the relief of the Georgia Railroad and Banking Company, which was read twice by its title and referred to the Committee on Post-Offices and Post-Roads.

Mr. TALIAFERRO introduced a bill (S. 6042) for the relief of A. F. Wood, which was read twice by its title and referred to the Committee on Claims.

He also introduced a bill (S. 6043) granting a pension to Zim C. Corbin, which was read twice by its title and, with the accompanying papers, referred to the Committee on Pensions.

Mr. McCUMBER introduced the following bills, which were severally read twice by their titles and referred to the Committee on Pensions:

A bill (S. 6044) granting a pension to Joseph Goose;

A bill (S. 6045) granting an increase of pension to Charles Lauder; and

A bill (S. 6046) granting an increase of pension to N. E. Nelson.

#### AMENDMENTS TO APPROPRIATION BILLS.

Mr. LODGE submitted an amendment authorizing the Auditor for the Navy Department to credit in the settlement of the accounts of Paymaster Herbert E. Stevens, United States Navy, with the sum of \$2,760.88, being the value of clothing and small stores stolen from him, etc., intended to be proposed by him to the general deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. HEYBURN submitted an amendment authorizing Senators, Representatives, and Delegates in Congress to send by registered mail free of charge United States maps and other valuable Government publications, intended to be proposed by him to

the post-office appropriation bill, which was referred to the Committee on Post-Offices and Post-Roads and ordered to be printed.

#### PENSIONS TO CERTAIN PERSONS.

Mr. SCOTT submitted an amendment intended to be proposed by him to the bill (H. R. 15653) to increase the pension of widows, minor children, etc., of deceased soldiers and sailors of the late civil war, the war with Mexico, the various Indian wars, etc., and to grant a pension to certain widows of the deceased soldiers and sailors of the late civil war, which was ordered to lie on the table and be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. SCOTT to the bill (H. R. 15653) to increase the pension of widows, minor children, etc., of deceased soldiers and sailors of the late civil war, the war with Mexico, the various Indian wars, etc., and to grant a pension to certain widows of the deceased soldiers and sailors of the late civil war:

On page 3, after line 9, insert as section 2:  
"That all nurses now on the pension roll, or who may hereafter be placed on said roll under existing law, shall be entitled to receive pension as follows: In case such nurse has reached the age of 62 years, \$12 per month; at the age of 70 years, \$15 per month; and at the age of 75 years, \$20 per month; and nothing herein contained shall prevent any nurse entitled to a pension from prosecuting her claim and receiving a pension under any other general or special act: *Provided*, That no nurse shall receive a pension under any other law at the same time or for the same period that she is receiving a pension under the provisions of this act."

#### REPORT ON OMNIBUS CLAIMS BILL.

Mr. FULTON. I ask for an order to print 300 additional copies of the report on House bill 15372.

Mr. CLAPP. I object to the printing of additional copies of that report.

The VICE-PRESIDENT. Objection is made.

Mr. FULTON. I wish only to state, Mr. President, that there has been a very great demand for copies of this report, and I am informed by the superintendent of the document room that they will not have enough copies to supply the demand.

Mr. CULBERSON. I ask the Senator what bill it is.

Mr. FULTON. It is the omnibus claims bill.

Mr. CLAPP. If there are not enough reports for Senators I am perfectly willing that there shall be more printed, but I am certainly opposed to flooding this section with those reports.

#### FUNERAL OF THE LATE SENATOR REDFIELD PROCTOR.

Mr. DILLINGHAM submitted the following resolution, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay, from the miscellaneous items of the contingent fund of the Senate, the actual and necessary expenses incurred by the committee appointed by the Vice-President in arranging for and attending the funeral of the late Senator from the State of Vermont, Hon. REDFIELD PROCTOR, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

#### PROPOSED INVESTIGATION BY COMMITTEE ON NAVAL AFFAIRS.

Mr. DILLINGHAM. I offer a resolution for reference to the Committee on Naval Affairs.

The resolution was read, as follows:

*Resolved*, That the Committee on Naval Affairs, or any subcommittee thereof, be authorized to send for persons and papers, and to administer oaths, and to employ a stenographer to report such hearings as may be held in connection with an investigation of the relative effects of outside and inside explosive shell, the consideration already accorded these subjects, and the effect of their use upon the design of war ships.

*Resolved further*, That the committee may sit during the sessions or recesses of the Senate, and that the expenses thereof be paid out of the contingent fund of the Senate, the results of such investigation to be reported to the Senate.

Mr. HALE. Let the resolution be referred to the Committee on Naval Affairs.

The VICE-PRESIDENT. It is so referred.

#### LAND DISTRICT IN NEW MEXICO.

Mr. NELSON. I ask unanimous consent for the present consideration of the bill (H. R. 19860) to establish a United States land district in the Territory of New Mexico to be known as the "Tucumcari land district."

The Secretary read the bill, and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

#### PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. M. C. LATTI, one of his secretaries, announced that the President had approved and signed the following acts and joint resolution:

On March 6, 1908:

S. 4064. An act to provide for a term of the United States circuit and district courts at Lander, Wyo.; and

S. R. 63. Joint resolution authorizing the invitation of gov-

ernments of other countries to send representatives to the International Congress on Tuberculosis.

On March 7, 1908:

S. 392. An act to confirm homestead entry made by guardian for the benefit of Dorothea Clendenin and Paul Dana Clendenin, minor orphan children of Paul Clendenin, late surgeon-major, United States Volunteers;

S. 406. An act granting a pension to Calesta Clark;

S. 712. An act granting a pension to Agnes Lange Smith;

S. 720. An act to conform an entry made by Gertrude Halverson Aaby, widow of Sigbjorn H. Aaby;

S. 1666. An act for the relief of Stene Engeberg;

S. 1746. An act granting a pension to Elmer Honnyman;

S. 1774. An act to permit Dollie A. Fountain, of Walworth County, S. Dak., to purchase certain lands; and

S. 4740. An act granting pensions and increase of pensions to certain soldiers and sailors of the civil war and certain widows of such soldiers and sailors.

On March 9, 1908:

S. 2872. An act to amend an act to amend section 4 of an act entitled "An act relating to the Metropolitan police of the District of Columbia," approved February 28, 1901;

S. 4376. An act granting pensions and increase of pensions to certain soldiers and sailors of the civil war and certain widows of such soldiers and sailors;

S. 5110. An act granting pensions and increase of pensions to certain soldiers and sailors of the civil war and certain widows and dependent children of such soldiers and sailors; and

S. 5255. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the civil war, and to widows and dependent relatives of such soldiers and sailors.

#### OCEAN MAIL SERVICE.

Mr. GALLINGER. Mr. President, I ask that the shipping bill, so called, may be laid before the Senate, according to the unanimous-consent agreement.

The VICE-PRESIDENT. The Chair lays the bill before the Senate.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 28) to amend the act of March 3, 1891, entitled "An act to provide for ocean mail service between the United States and foreign ports and to promote commerce."

Mr. GALLINGER. The Senator from Nevada [Mr. NEWLANDS] suggested to me that he desires to speak on this bill to-day. I do not see him in the Chamber. The Senator from North Carolina [Mr. SIMMONS] has given notice that he will address the Senate on the bill next Friday.

Mr. President, there is a good deal of business pending in the Senate, and I rise to ask unanimous consent that the bill and all amendments pending and to be offered be voted on upon Friday, the 20th instant, before adjournment on that day.

The VICE-PRESIDENT. The Senator from New Hampshire asks unanimous consent that the pending bill, together with amendments pending and to be offered, be voted on before the adjournment of the Senate on Friday, the 20th instant. Is there objection?

Mr. BACON. I am not going to object to the date, but I want to get a little information from the Senator. I suppose the Senator would arrange, in view of an agreement of that kind, so that there would be an opportunity on the last day or two to be heard by anyone who desires to speak on the bill.

Mr. GALLINGER. I feel sure there will be no difficulty about that.

Mr. BACON. The only suggestion in my mind was that possibly there might be some special order which would interfere. I thought possibly the Senator might desire to couple with his request for a vote on that day some provision looking to the occupation of the time of that day for the consideration of the bill.

Mr. GALLINGER. Then I will modify the request by asking that the bill be taken up on Friday the 20th, immediately after the morning business, and that it have consideration until it shall be voted upon on that day.

Mr. BACON. I understand that if unanimous consent were given in the form in which the Senator has asked it, nothing could intervene between the taking up of the bill in the morning and the vote on it, whereas it might suit the convenience of the Senate to lay it aside temporarily for some purpose and take it up again during the day.

Mr. GALLINGER. We can do that by unanimous consent, I suggest to the Senator, at any time during the day.

Mr. BACON. The agreement could be varied by unanimous consent, it is true, but would it not be better that the Senator

should so shape his request as that it could be done informally on the request of a Senator?

Mr. GALLINGER. There will be no trouble about that.

Mr. BACON. I do not think there is any trouble to be apprehended. I only make the suggestion in view of having proper elasticity in the agreement.

Mr. GALLINGER. That will be understood, Mr. President. The VICE-PRESIDENT. The Senator from New Hampshire asks unanimous consent that the pending bill be taken up for consideration immediately after the close of the routine morning business on Friday the 20th instant, and that the bill, together with pending amendments and amendments to be offered, be voted on before adjournment upon that day. Is there objection to the request? The Chair hears none and it is so ordered.

Mr. GALLINGER. In this connection, I will venture to suggest, that Senators having speeches to make on the bill will doubtless have abundant opportunity before that date. I will endeavor to see that that privilege shall be accorded.

Mr. BACON. I do not myself desire to make any speech, but several of us may wish to say a few words on various features of the bill.

#### SURVEY OF PUBLIC LANDS.

Mr. HEYBURN. I ask unanimous consent for the consideration of the bill (S. 138) to provide for the survey of the public lands of the State of Idaho.

The Secretary read the bill and, there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported from the Committee on Public Lands with amendments, in line 3, after the word "lands," to insert "reserved and unreserved;" in line 4 to strike out the word "State" and insert "States;" and in the same line, after the word "Idaho," to insert "Oregon, Montana, and California," so as to make the bill read:

*Be it enacted, etc.,* That all public lands, reserved and unreserved, of the United States now unsurveyed within the States of Idaho, Oregon, Montana, and California shall be surveyed without regard to settlement thereon, pursuant to the general system of surveys of the public lands of the United States, and that said surveys shall be completed as rapidly as possible.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the survey of the public lands of the States of Idaho, Oregon, Montana and California."

#### AMENDMENT OF NATIONAL BANKING LAWS.

Mr. McLAURIN. I ask that Senate bill 3023, to amend the national banking laws, be laid before the Senate.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3023) to amend the national banking laws.

Mr. LODGE. I ask the Senator from Mississippi to yield to me for a moment, merely to give a notice.

Mr. McLAURIN. With pleasure.

Mr. LODGE. I merely desire to give notice that on Thursday next at 2 o'clock, with the permission of the Senate, I shall address the Senate on the pending bill.

Mr. McLAURIN. Mr. President, I lay no claim to any special knowledge of or experience in financing that would entitle me to pose as a financier. My financial operations have been confined to the support of a large family upon a small income. I shall not, therefore, expect or endeavor to shed any additional light upon the subject of finances, nor to contribute anything new to the fund of learning and information respecting the functions of money.

However, there are some thoughts in reference to the pending measure emanating from my conception of the proper office of human government and the true sense of justice which intuitively occur to me, and I beg the patient indulgence of the Senate while I present them for your consideration.

The bill under consideration—S. 3023—entitled "A bill to amend the national banking laws," grows out of the recent panic. The panic grows out of causes that are not all so recent. Every effect has a cause by which it is produced. Some effects are produced by a train of causes, and some by a conglomeration of causes. There is generally a first cause from which the train of conglomeration of causes flows to produce the effect. If I were called to name the first or fundamental cause that led to the present panic, I should say that it was the incompetent, inefficient, and misguided administration of the Government by the Republican party.

Let it not be said that I am making a political question of



this. It is not in my power nor in the power of any other individual to make this a political question. Its political aspect is given by the different views that are taken of it by different men, just as the tariff and the construction of the Constitution, whether liberal or strict, are made political questions. I do not propose nor desire to castigate the Republican party further than is necessary for the country's good. When a patient is sick a wise physician first ascertains the disease, then inquires of the cause, and if that is learned applies the remedy to remove the cause, and then, if necessary, tonics the patient. Sometimes in the treatment of the case it becomes necessary to administer drastic remedies, but in the end they serve the best purpose. It may be necessary to so deal with the Republican party. It is hoped that good to the country will thereby be accomplished.

Men do not plant a crop one day with the expectation of gathering it the next; nor do the evil effects of vicious or unwise legislation immediately manifest themselves. The panic of 1893 was the harvest of the Republican Administration from 1889 to 1893. The prosperity which immediately followed 1896 was the harvest of the Democratic Administration from 1893 to 1897, and the discovery of superlarge quantities of gold and adding it to the metal money of the country. When the panic of 1893 came, it was flippantly charged by the Republican orators to the Democratic Administration that had just been inducted into office, when they had not enacted a law nor performed any official act except to execute laws that had been enacted by the Republican Administration. Of course, under such circumstances it was impossible that the Democratic Administration could have produced the panic. Causes do not succeed but precede the effects they produce. In 1897, when prosperity dawned, it was heralded as a Republican achievement. Not a Republican law had been enacted nor a Republican policy put in operation since the last preceding Democratic Administration. The Republicans, seeing the firm foundation laid by a Democratic Administration for great prosperity, and knowing that such prosperity was bound to come, heralded the Republican President as the agent of that prosperity. If he were the agent, it was the agency of the Democratic Administration that had just preceded.

A great many people, not understanding the real causes of the prosperity at the time, and, therefore, not knowing its limitations, engaged in all kinds of speculation. Municipal corporations issued bonds and raised money on them for improvements. Some of the money was invested in such betterments, and some of it was absorbed in speculation. Vast numbers of private corporations, sometimes without capital or property, issued bonds and borrowed money on them; so that the bonded indebtedness of the United States exceeded many times the money in circulation in the entire country.

The Philippines were taken from Spain and \$20,000,000 given for them. Hundreds of millions of dollars more were wasted on the islands and on that people who have never been worth anything to the world or to any government or country owning them, and who never will be worth anything so long as time lasts. They were a millstone hung about the neck of Spain, and they have been a curse to us.

Our standing Army was increased in time of peace without the slightest necessity and against the true principles of free government. A fleet of war ships is sent on a useless jaunt of thousands of miles, at great expense, "to fright the souls of fearful adversaries," and incidentally to engage in the Christian (?) pastime of witnessing bull fights, where only two or three men were gored by mad bulls.

I have neither the time nor the disposition to enumerate the delinquencies of the Republican party; indeed, no one memory can carry them all. The details of the Credit Mobilier; grants to railroad corporations of the public domain in extent sufficient to carve out States; the collection of billions of dollars from the people and giving these sums to a few of a favorite class under the guise of protection; the giving of bounties and subsidies; not only the disregard but the defiance of the laws would all be profitable in the investigation of the causes that led to the panic. But I must content myself with this mere reference to them; a mere glance at the domain of their investigation. When a trust had been prosecuted to judgment, there was no enforcement of the sentence, it being virtually said that these are academic questions, and that there was no disposition on the part of the Republican Administration to run amuck among the trusts. In effect it was to show, and no more, that it was in the power of the Administration to eliminate the trusts if it so desired; that the law was sufficient, but that the Administration was not willing to eradicate trusts with all their complicated banes.

The Republican party poses as the friend of the laboring man; especially is this so just on the eve of a Presidential election. The party claims that money collected by a protective tariff is for the benefit of the laboring man, and it is primarily the solicitude for the laboring man that provokes the imposition of the protective tariff. This is easily tested. If it were true, the money would be given to the laborer to employ the capitalist to work for him. Instead, however, it is given to the capitalist to employ the laborer to work for him. The money is given by the Republican party to the man who is already rich, but the man who is poor and earns his "bread in the sweat of his face" is compelled to labor for it. Thus billions of dollars that ought to be distributed among the people who produced it is given to a few who spend it in riotous living, in traveling abroad, and in the purchase of worthless counts and dukes and earls and barons.

You established a banking system whereby you loaned, practically without interest, to the national banks the money of the Government on which to operate, under such circumstances and conditions that it flowed in a steady stream into New York, and so filled the New York banks that they were tempted to, and did, loan it for all kinds of lawless speculation and stock gambling.

After a long carnival of crime, a saturnalia of graft, and a revelry of plunder the day of account came, and the bubble burst. We then had what the Senator from Rhode Island [Mr. ALDRICH] denominates the most "acute and destructive" panic in the country's history. Its acuteness and destructiveness may be estimated from the fact that the president of the New York, New Haven and Hartford Railroad Company said, if he was correctly reported by the press, that this company discharged from work 8,000 men in December. This system of railroads operates 2,672 miles of road. It is one of the forty-two systems operating in this country on an average of 4,511 miles each. If the dismissals by the New York, New Haven and Hartford can be taken as a proportional average, and if the report is correct, there were more than a half million—about 600,000—men who earn their living by their labor turned out of employment by the railroad companies alone. This does not take account of the myriads discharged from the employment of other industries. Mr. J. M. de Julien is reported by the press as saying that on a thousand miles of road between Ogden, Utah, and Montpelier, Idaho, 50,000 men are out of employment. When you draw the picture of the wrecked fortunes of the wealthy, draw beside it the picture of the hungry and scantily clothed families of these discharged laboring people. This is a part of the fruit of the panic. As I have said, the bubble burst and the panic came as should have been expected.

Mr. HEYBURN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Mississippi yield to the Senator from Idaho?

Mr. McLAURIN. Certainly.

Mr. HEYBURN. Would it bother the Senator if I were to make a statement as to unemployed men in Idaho?

Mr. McLAURIN. I have no objection to the Senator making that statement.

Mr. HEYBURN. Idaho during all this panic has kept employed more than 10,000 men on constructive railroad work, who were not affected in any way whatever by the panic; and the mines have continued their operation. If there is any State in the United States that has gone on regardless of this alleged panic, it is the State of Idaho. We are working 7,000 men on construction work in the county in which I live.

Mr. McLAURIN. This is the statement of Mr. De Julien—

Mr. HEYBURN. I do not know who he is at all.

Mr. McLAURIN. Who is a prominent business man of that section. He states that between Ogden, Utah, and Montpelier, Idaho, there are 50,000 men now idle. He is a business man there, and I give his statement for what it is worth. We know there are many thousands—I may say hundreds of thousands—who are looking for employment and can not find it.

Thereupon a bill is introduced "To amend the national banking laws." The question naturally presents itself: Were the national banking laws defective? If so, did the defectiveness of the banking laws produce the panic or contribute to it in any considerable degree? Or did the disregard of the laws—statutory, moral, and business laws—by the national banks produce, or materially contribute to, the panic? These are not idle questions; but they are questions that lie at the very foundation of this matter, and should be correctly solved at the threshold of its investigation.

Again, if the panic was superinduced by the national banks' disregard of the laws, was that disregard characterized by all

of the banks, or only a part of the banks? If by only a part, what part, and what banks? If the banks of the country outside of New York City were doing a legitimate business, on safe and sound banking principles, while the banks of New York City were "plunging," in utter contempt of law and the rights of others, and thereby precipitated a panic upon the legitimate, innocent banks, State and national, and upon the country, then we do not need any bill "To amend the national banking laws," but we need an Administration to enforce the laws by the punishment of the guilty criminals whose crimes precipitated the crisis and whose greed gorged upon the distress its cupidity had created. Such a Democratic Administration we hope to have after the 4th of March, 1909.

I am not opposed to banks. I am not unfriendly to them; I am friendly to them. They are useful institutions. They serve a great and beneficent purpose. They are, as a rule, conducted by honest and patriotic men; and should be protected and encouraged by friendly legislation, just as the farmer, merchant, mechanic, professional men, and all other law-abiding people should be protected and encouraged by friendly legislation. Nor is it any pleasure to me to arraign the New York City banks. Nor would I arraign them if I could believe that their delinquencies consisted only of misjudgment or misplaced confidence in legitimate transactions. But it seems to me impossible that they did not know the loans they were making were to be used in the most demoralizing species of gambling. Without doubt they knew their reserves were far below the limit.

The panic came when the banks of New York City failed to honor the checks of their customers who had deposits with them. This was no fault of the national banking laws. After the Secretary of the Treasury had almost emptied the Treasury into their vaults, and they had received large imports of gold, they still failed to transmit to their customers their customers' deposits. Do not misunderstand me to adversely criticize the Secretary for utilizing every dollar that could be spared from the Treasury to avert the catastrophe. The endeavor to check the panic was the fruit of a patriotic motive, however ill-advised the method adopted.

While the banks of New York City with this gold in their vaults were refusing country banks the money of these country banks on deposit with them, little ephemeral concerns around the corner were selling money to these country banks at a premium ranging from 3 per cent all the way up to grand larceny. Business men believed that these ephemeral concerns were adjuncts of the banks that held and declined to deliver their money, and this added to the acuteness of the panic.

I was told by a gentleman than whom no one in this or any other country stands higher in character that during the panic business men and business men of Louisiana sold cotton for gold in Europe, had the gold shipped to New York banks, and when they presented exchange to the New York banks for it were denied their own money, but were at the same time told by these banks where they could buy money.

I presume that it will not be denied that if the New York banks—and when I say New York I mean New York City—had promptly paid to their depositors all checks drawn against deposits in them there would not have been any fear as to monetary conditions, and consequently no panic, for a panic is nothing more than fear set in motion. I am equally sure that if the New York banks had kept the law and held all the reserves they were required to hold they would, with the assistance received from the Treasury and importations of gold, have been amply able to cash every lawful check drawn upon them as presented. Such course would have immediately dissipated any and all apprehension that could have arisen.

My judgment may be in error, but I do not agree with the proposition that the New York bank that holds three-fifths of the 15 per cent reserve of the country bank has a right to use that for anything except to honor the checks of the bank whose depository it is. If that had been done, then the New York banks would have had far more reserves than they did have, they would have been able to meet every check that was presented to them and to cash it as presented, and there never would have been any necessity for any fear or apprehension on the part of anybody, and without fear or apprehension there could have been no panic.

I do not arrogate to myself any superior ken in the interpretation of statutes, nor would I minify the opinions of those who differ from me; but it seems to me vain to hold that Congress intended that the reserves should never be utilized, but held as a bulk of dead capital—not dead money, for money is a medium of exchange, and if the banks were not permitted to use it, yet required to chloroform it and put it to bed, its character as money would, for the time, be lost. So many pieces of glass

would do as much work in the operation of money during this time. The intention of the law is that the banks must not loan more than 75 per cent of their deposits; that they must keep 25 per cent to meet the checks of their depositors. It was not only the right of the New York banks to use the reserve to pay their depositors, but it was their duty.

So it was not the defect of the banking laws that produced the panic. It was the fault of the New York bankers in loaning more than 75 per cent of their deposits, and that for gambling in stocks and bonds and futures, and the dereliction of the Administration in not prosecuting the malefactors to conviction and punishment. Those malefactors are not deterred from the commission of such crimes, because they expect the penalty to be satisfied by the imposition of a fine upon the interests they represent, thus punishing the innocent shareholder, instead of putting the guilty criminals in prison. The Treasury has so often been emptied into the laps of the malefactors when their crimes have produced money stringency that they have come to look upon it as a right.

The banking laws have defects, but those defects did not cause or contribute to the panic, and this bill, so far from curing the defects, really offers to aggravate them.

The principal defect in the banking laws is the provision for the issuance of money by the Government in the name of the banks. Men inveigh against the law for abdication to the banks the Government prerogative of issuing money. It is worse than that; the Government itself issues the money in the name of the bank instead of in the name of the United States, as all money should be issued by the Government. Whatever form may be given the transaction, the Government understands, the bank understands, and everyone who handles the notes understands that the Government is to pay the holder of the notes, and nobody looks to the banks for their payment or considers them in the matter.

Another defect is, the Government loans these notes, issued in the name of the banks, at 1 per cent interest, while it is paying a higher rate of interest to the banks on the bonds deposited as security. One of two things should be done, first, loan to the banks Treasury notes of the par value of United States bonds deposited and suspend interest on the bonds, or second, exchange Treasury notes with the bank of the par value of the bonds for the bonds and cancel the bonds.

We can not predicate our banking system upon that of any other government; for in other countries the people belong to the government, while in our country the Government belongs to the people—or, at least, this is the theory of our Government. Therefore, citations of the banking systems or banking laws of other countries are not always apropos. Let it always, in the consideration of this bill and of the panic that gave it birth, be borne in mind that a system of banking laws and a system of banking are not necessarily identical. The system of banking laws may be good while the system of banking is bad. So the system of banking laws may be good and the system of banking in criminal defiance of the laws, and this is what I am sure produced the panic. It is sometimes better to have an unwise law wisely administered than a wise law not administered at all.

There is no need for amendment of the banking laws in behalf of the banks. The chairman of the Committee on Finance, the Senator from Rhode Island [Mr. ALDRICH] says:

The report of the Comptroller of the Currency shows that the dividends paid by the national banks for the sixteen months prior to June 30, 1907, were at the rate of 13 per cent per annum on their capital and surplus.

This would be a pretty good dividend on their capital; but on capital and surplus it seems to me to be a large dividend. When it is considered that banks do not usually declare a dividend of all their earnings, it would seem that it is not necessary to amend the banking laws to enable banks to subsist.

One bank with a capital of \$300,000 had a surplus of over \$7,000,000.

Mr. KEAN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Mississippi yield to the Senator from New Jersey?

Mr. McLAURIN. Certainly.

Mr. KEAN. May I ask the Senator from Mississippi what bank it is which he states has a capital of \$300,000 and a surplus of over \$7,000,000?

Mr. McLAURIN. It is said to be the Chemical National Bank of New York.

Mr. KEAN. It used to be the case that that bank had a capital of \$300,000 and a surplus of \$7,000,000, but you will find that now it has a capital of \$3,000,000 and a large surplus. That change was made after we passed the other law.

Mr. McLAURIN. It is the same thing. If they paid in



\$300,000 and are able now to increase it ten times and still have a surplus of more than \$4,000,000, they must be doing a pretty good business, and it is not necessary that the banking laws should be amended in order that they may subsist.

Mr. KEAN. I do not think the Chemical National Bank wants the banking laws amended so that they can exist.

Mr. McLAURIN. I should think not.

Mr. KEAN. I think they have been in existence longer than either the Senator from Mississippi or myself.

Mr. McLAURIN. But we are told that the interests of banks are not to be considered in this legislation; that the only consideration is the interest of the general public; that the business welfare of all the people alike is alone to be had in affectionate and sacred regard in the law to stifle panics. Then why not permit the expansion of the currency, when needed, upon the application of any person or persons presenting the required security, instead of the exclusive application of some of the national banks? Why not loan money to any person who presents the required security instead of loaning it exclusively to the national banks?

You say the banks are the fiscal agents of the Government. That is the merest and flimsiest fiction. When asked what agency they perform for the Government, you say they receive the Government's deposits and thereupon cash the Government's checks. They do the same for every depositor. They are no more the agents of the Government than is the merchant with whom the Government trades. They are simply borrowers and the Government a lender in the transaction. If one person puts his money into the possession of another with the mutual understanding that the other is to use it in his own business and account to him for it, the transaction is a loan.

The chairman of the Finance Committee [Mr. ALDRICH] says:

The practical effect of the operation of note issue is that the Government loans a bank, taking a portion of its investment securities as collateral, a sum of money, for which it charges, in the form of taxes, one-half per cent per month until the loan is repaid.

"The operation" of which the able and astute Senator was speaking was "the operation" of the bill now under consideration. Then why not loan the money, on the same security, to the merchant, farmer, or any other business man?

The Secretary of the Treasury, speaking of the impending crisis, says:

Rumors were current concerning many manufacturing establishments and others interested in large projects who were embarrassed by inability to raise ready cash to continue their operations.

I infer from reading the Secretary's paper that he regards this as the herald raindrop that foretold the approach of the mustering storm. Then, if these manufacturers "and others" could furnish the proper and appropriate security, why should not the law be such that the Government could loan the money direct to them instead of taking the circuitous route of the banks?

I hold that money should not be loaned by the Government to banks or any other class, but if it is to be loaned, that no bond except United States bonds should be accepted by the Government as a security for a loan of the Government's money; but if money is to be loaned on railroad bonds the manufacturers "and others," of whom the Secretary speaks, upon the hypothecation of these bonds should receive the money direct from the Treasury. It would be paid out immediately in the operation of the establishment, carried to the merchant by the laborer in the purchase of supplies for subsistence, used by the merchant in his business, thus getting into the arteries of commerce and performing the functions of money in a thousand ramifications before the panic could show its gorgon face.

The loaning of money by the Government is wrong in principle. But as the Government has embarked upon this kind of policy, I think it should be careful to not extend the system in accordance with the terms of this bill; it should not, from this time on, loan money to banks nor to anyone else to be again loaned. If the object of this bill is to meet and prevent panics, as I understand its friends to claim, it should go no further than to provide the banks with money in times of crises to pay depositors—not money to loan. Panics do not occur among banks because they do not have money to loan, but because they do not, or it is feared they do not, have money to pay depositors. To this extent alone should the Government, in any event, go to their relief.

Senators misconceive the situation when they figure that banks in distress in time of panic will not avail themselves of offered money because they do not see where they can invest it for an added return. The bank in Kansas City, that was in a solvent and prosperous condition, could well have afforded to pay interest that would have absorbed a year's profits.

But if the Government, seeing a bank struggling to keep its head above water until the tempest calms and the waves are pacified, throws it a line in the form of a well-secured loan, why should it not do the same thing for the farmer, merchant, manufacturer, railroad, mechanic, and all the other enterprises that combine to make this the greatest country of all the ages?

I have said that the principle of loaning money by the Government is wrong. It is no part of the office of government to loan money. A people who neither have the desire nor capacity for self-government, and therefore no aspiration for freedom and individuality, may yearn for the flesh pots of Egypt, but the patriot who is trying to get all he can out of himself for his country wants nothing of government except just laws for his protection impartially administered. The principle is not only wrong, but the policy of loaning it as proposed in this bill is bad. The bill not only confines the loans to the national banks, but to only a part of the national banks. If you do not take care of all the banks, State and national, you can not prevent nor check panics by taking care of some of them. If one bank fails, the business of the country immediately takes notice; if two or three fail, it is on tension; and if a half dozen or more fail, or are known to be pressed, fear takes form and panic is the result.

When Congress legislates against the recurrence of panics the legislation should give reasonable hope of its efficiency. There is no such hope if some of the national banks and all of the State banks are excluded from the relief that is provided, as is the case with this bill.

The suggestion sometimes made, though happily not in this bill, that the Government guarantee depositors of national banks is vicious in principle and equity and inadequate in policy. It still leaves the danger of panics almost as threatening as if the guaranty were not given to the national banks' deposits. To guarantee the depositors of banks is nothing more than becoming surety of the banks for all the obligations they may incur. This bill proposes to make the Government the principal, and, I may say, sole obligor in the notes to be issued, as a matter of form, in the name of the banks. True it proposes to take securities from the banks, in the way of indemnity. But some of these securities are liable to turn out an investment as hollow as "Shallow's funded debt on Falstaff," as Baldwin said of Bolus. When the Government becomes sponsor for the notes put in circulation in the name of the banks, it knows what it is doing. It knows the exact extent of its responsibility; so many millions of bank notes; and for every dollar it has a dollar of United States bonds for its indemnity. The amount is mathematically certain, and the indemnity is absolutely sure.

But the guaranty of deposits, which is nothing but becoming surety for the banks, is different and dangerous. The deposits are more than \$13,000,000,000, a sum that staggers arithmetic. It is more than eight times the money in circulation in the United States. If the Government were made surety for the banks, its indebtedness were increased more than \$13,000,000,000. You say that it is not expected that the Government will have to pay this large sum. True enough; neither does Jones expect to pay the debt of Joyce when he signs his note as surety, but his liabilities are increased the amount of the note. So the Government would become liable to pay \$13,000,000,000 on demand.

But, you say, the law should be so framed that the Government would have time to pay, upon failure of the bank. Then your expedient would prove abortive; for it is the fact that the depositor can get his money immediately upon demand that averts fear, and it is the averting of fear that arrests panics.

The credit of the United States is equal if not superior to that of any other country. It is based upon the immutable principle of large resources and small liabilities. It does not answer to say that this country is able to pay thirteen billions of dollars without crippling its resources, even if it is true. You can call to mind men who can pay a hundred millions of dollars and still live in extravagant luxury, yet the assumption by them of a hundred millions of dollars liability as surety would cause investors to look askant.

Again, it is wrong and unjust in principle for the Government to become surety for the banks. The office of Government is to make and administer laws for the protection of life, liberty, and property. These laws should give equal rights to every citizen, and their administration should treat every citizen with impartial consideration. There should not be any class distinction in the enactment and administration of the laws. The laborer with the spade and shovel and pick in his hands should therein be treated on the same terms as the President of the United States. The banks should be treated as everybody else. If it is right for the Government to become

surety for the banks, it is right to become surety for the farmer and the merchant and the manufacturer and the prosecutors of all the other vocations.

I will not detain the Senate by animadverting upon the many advantages that would accrue to the prosecutors of these industries and professions and vocations by the suretyship of the Government extended to them. They will immediately occur to anyone upon reflection.

The banks of the country do not need the suretyship of the Government. The banks were never in a better condition in the history of this country than they are to-day. There never was a time in American history when the banks were conducted by more patriotic or better business men. While the late panic did a great deal of harm, and is now doing harm as the cause of so many unemployed men and women, its lesson is not without value. If those charged with the administration of the law will expiate their nonfeasance in this matter by the prosecution and adequate punishment of the generators of the panic, there will not be another panic as long as the gold metal can do the work of metal money in this country.

It ought to be obvious that State, municipal, and railroad bonds should not be made the basis of security for the issuance of money to the banks. As long as United States bonds were the security upon which money was loaned to the banks everybody knew that in the very nature of things the security was bound to be sufficient to pay the notes, and therefore depositors felt safe in depositing money in national banks. But listen to this from the chairman of the committee [Mr. ALDRICH], speaking of the means of indemnity held by the Government for its suretyship on the bank notes: "Third. We have a prior lien upon all the assets of the bank through which the notes are issued." That is to say, the deposits of depositors in national banks are liable to the Government for the payment of the bank notes, if the security taken by the Government when the loan to the bank was made by the Government is insufficient to indemnify the Government.

Nobody cared about that when the security consisted of United States bonds, because the bonds and the obligation of the banks on the bank notes offset each other. But State, municipal, and railroad bonds are not so. You may proclaim from the housetops that there has been great care in scrutinizing the securities, but men will be wary in depositing money in national banks if they know that that money immediately becomes liable to pay the loan of the Government to the bank if the security should fail. They know that the security can not fail if it consists of United States bonds, but they have no such faith in railroad bonds. I bid you be careful how you tamper with this matter. You are sporting above a volcano.

If no unwise legislation is enacted—indeed, if no legislation at all is enacted—the present convalescent condition of the country will continue to improve until normal conditions will obtain. If you do not tinker with the present banking laws, but enforce them, they are ample for the prevention of bank panics. The greater fear is that of bank-made panics. It were better if this change in the banking laws were made; that is, call in the bank notes and issue to the banks Treasury notes in their stead. In this way the loss or destruction of the notes would redound to the gain of the Government that gives them efficacy as money instead of to the gain of the banks that can give them no circulation without the Government's indorsement.

There was issued from August 21, 1862, to February 15, 1876, when its issuance ended, \$368,724,079.45 in fractional paper currency. Of this issue \$15,239,268.28 is now outstanding, of which the Treasurer estimates that \$8,375,934 has been lost or destroyed. There is no doubt that none of it will ever be presented for redemption. In this there is a gain of more than \$15,000,000. Who should gain it, the Government that gives it value or some private institution?

But it were possibly better not to make at present even the change that I have suggested, because any numismatic legislation that is at all complicated is calculated at this time to inflame rather than extinguish fear. There is not so much danger in it as in the bill under consideration, but possibly enough to make it questionable.

But if there are to be loans at all by the Government, there is potential legislation that could not excite the least apprehension, yet would give all the protection against panics that legislation can offer. I introduced a bill on the 9th of December last embracing this idea. It is probably not as elaborate in detail as it can be made, but it embodies the principle. Let anyone who has a United States bond present it to the Treasury or subtreasury and thereupon require the Treasurer or Assistant Treasurer to issue to him Treasury notes of the par value of the bond; suspend the interest of the bond for the time and in addition charge 3 per cent per annum interest on the

notes, and if the notes are not repaid to the Government within a certain time cancel the bond and thus close the transaction. The Government would thereby save the interest on its bond and collect interest on the note if the borrower pays the note, and if he does not pay it, the bond is canceled and the interest-bearing debt of the Government is paid by agreement.

Of course I understand that the note must some day be paid by the Government, but the debt does not any longer carry interest, and its payment is made easy.

I believe it best, and I would so shape the law, that the Government should not loan money at all; neither to banks nor any other person, but that upon presentation of a United States bond of any denomination the Treasurer of the United States should issue to the holder its par value in Treasury notes and cancel the bond. You thereby increase the circulation when needed and stop interest on the Government bonds. You also give an equal opportunity to all State banks that you do to national banks to get money. It is the duty of the Government to not discriminate between its citizens, and the State banks are its citizens as well as the national banks.

This, to be sure, would expand the medium serving for the purpose of money to the extent of the United States bonds canceled and notes issued in their stead, but while that is so those notes would continue to remain out. It would keep an equilibrium of the circulating medium, and there are not United States bonds sufficient to make any danger from the small expansion of the currency that would be thereby created.

Mr. BEVERIDGE. Mr. President—

The PRESIDING OFFICER (Mr. HEYBURN in the chair). Does the Senator from Mississippi yield to the Senator from Indiana?

Mr. McLAURIN. With pleasure.

Mr. BEVERIDGE. That would be the making of one debt by the Government to be secured by another debt of the Government, would it not?

Mr. McLAURIN. I think not.

Mr. BEVERIDGE. You say "a note secured by a bond." Both are obligations of the Government.

Mr. McLAURIN. You just exchange them. The bank owes the Government for the notes and the Government owes the bank for the bond. The two obligations offset each other.

Mr. BEVERIDGE. It would be changing the form of indebtedness, then?

Mr. McLAURIN. Every person, natural or artificial, could have an equal opportunity under this law. Is this equal opportunity for all what you desire? But, you say, we want some provision for an emergency. That provision is just what this would make. You see emergency is individual, just as yellow fever or whooping cough. Emergency comes to every man when he needs money and can not get it. If the generality of the people need money and can not get it the emergency becomes general, just as smallpox becomes epidemic. If you will provide a way whereby each man can supply his emergency, there can not be any general emergency, and of course no panic.

There are now millions of dollars in hiding that are neither doing the owners nor the business of the country any tangible good. What you want to do, both for the benefit of the owners and of commerce, is to tote or coax this money into circulation. The owner of hidden money takes a great risk in burying it or hiding it in a stocking. He may die without disclosing its hiding and it will be lost from his estate; it may be discovered and stolen; he may, himself, lose the place of its hiding; rats may eat it if it is paper, or fire burn it or floods sweep it away or thieves find and steal it if it is gold, and many other dangers he incurs in hoarding. He balances these dangers against the danger of depositing it in a bank, and the one he deems to be the less he adopts.

Anything that can be justly done to cause the man who has money to see that it is safer to deposit it in banks or invest or loan it should be done by Congress that it may be put into circulation. Every thinking man knows that there is some danger wherever he may place his money. But much can be done to convince men of that which I am sure is a fact, that if they are not going to invest or loan their money the safest place for it is in a reputable bank. Besides, if men knew that they could at will convert their bonds into money they would, instead of burying it, invest it in bonds, thus putting the money into circulation, and almost invariably the bulk of the money that is in circulation is deposited in banks and checks are drawn against it. This is argued by the fact that in New York City alone the clearing-house transactions are nearly \$300,000,000 a day.

There is only one other security comparable to United States bonds as a predicate for the loan of Government money. Always bear in mind that the bill of the committee proposes to loan money to the banks, as I have shown and as the chairman



of the committee [Mr. ALDRICH] has said. The giving to the loan the name of deposits does not change the form or substance of the transaction. And I am contending that, it being a loan, if it is proper for the Government to loan money to one class it is equally proper to loan money to any other class on equally good security. Railroad bonds may be good and marketable in times of money plenty, and in such times the Government might be able to realize money on them, but in times of general emergency they balk, both at home and abroad. For the money at home has sought shelter and is not in circulation to buy them, and money abroad distrusts them when they are dishonored at home.

But money can always be realized on cotton. If money at home is in hiding, it will come forth from abroad for cotton. The emergency never gets so stringent that cotton can not be turned into money. There is no distrust of it in Europe, for in Europe it is a prime necessity. It is imperishable. No weevil nor insect can destroy it nor does age deteriorate its value.

After supplying the factories of this country about \$500,000,000 worth of cotton is exported annually. At the first shudder of apprehension let it be known that this vast resource can be turned into Treasury notes until the cotton can be converted into gold from Europe to retire these Treasury notes and the chill of fear will be averted. It is said that this would give advantage to one product that other products do not have. The law would not give it; nature has already given the advantage. There is no other product that combines the advantages that pertain to cotton as a commodity.

It is said that this is legislation in favor of the farmer class. I do not believe in class legislation. But if legislation should favor one class, there is none more worthy of the favor than is the farmer class. Whatever may be said in regard to any other class, it is certain that without the farmer class no civilized people could survive.

I repeat, if this were class legislation, I would neither advocate nor support it. It could not be in the interest of the farmer class alone, for it would be of no benefit to the farmer except in times of general emergency, and then it would supply circulating money to relieve business paralysis and bless the whole country. In ordinary times he can get money from the banks on his cotton quicker and with less inconvenience to him. Of course, then he would not apply to the Government. But in times of general emergency, when the ordinary avenues of money are paralyzed for the want of circulation, this means could put money to flowing and the wheels of commerce in motion, and the paralysis would thereby be relieved.

You say this is populist doctrine. I think not. I am surely not a Populist. I am a Democrat of Democrats. But if it were so, it should not therefore be rejected if it is good doctrine. No statesman should refuse wise legislation because it has the approval of his adversary.

The Senator from Texas [Mr. BAILEY] yesterday made an argument, not against the efficacy of cotton as security, for he said it is good security, but against the policy. That Senator always throws into his efforts his magnificent personality, his beautiful and forceful diction, and his eloquent delivery, as well as his splendid erudition and his profound ability. Add to these his thorough conscientiousness and his unswerving and loyal patriotism, and his devotion to the interests of all the country in general, and of his own State in particular, as is so well known and regarded by the Senate, and you can see how difficult it is for one so unskilled as I in polemics to answer any argument he may make, however unsound it may be. But I do not think the argument he made yesterday is sound.

It is said that the farmers who produce wheat will ask that wheat be made the predicate of the issuance of Treasury notes; that the tobacco and hemp growers, the landowners, the cattle raisers, the hog raisers, the horse breeders, and the miner of iron will ask that their property be taken as security for the issuance of Treasury notes if you resort to the issuance of Treasury notes upon cotton. This does not go to the argument of the efficiency or inefficiency of cotton as a security, because the Senator from Texas agrees with me that cotton is good security for the loan. I do not think if wheat, and tobacco, and hemp, and horses, and cattle, and hogs, and iron are not good securities for the issuance of Treasury notes, the farmers and miners who produce these commodities will object to the issuance of these notes in time of stringency upon cotton merely because they do not produce cotton. But whether they do or not, I do not think it good policy to refuse to advance on good security, because somebody who has no good security will ask for an advance on bad security.

Mr. BEVERIDGE. How about coal?

Mr. McLAURIN. I do not think it is a good security; but

I do not think that the producer of coal would object to cotton being made a predicate for the issuance of money if coal is not a good security and if cotton is.

Mr. BEVERIDGE. Wherein is coal, particularly anthracite coal, not so good security as cotton?

Mr. McLAURIN. Because coal wastes in the handling of it; coal is destructible, and it is too cumbersome and in time of panic not convertible into money.

Wheat may have weevils in it. The stock may lie down and die. The iron may rust. The land can not be readily at all times converted into money, and the Government, when it issues notes, ought to issue them upon something that can be converted into money at once. That is my objection to the issuance of Treasury notes upon railroad bonds, because they can not always be converted into money.

Mr. BEVERIDGE. Then, let us take pig iron. Weevils do not affect pig iron.

Mr. McLAURIN. Rust does.

Mr. BEVERIDGE. It affects the exterior of the pig iron. But pig-iron stores would probably be about as durable as cotton.

Mr. McLAURIN. Not at all; but if it were as durable, any other commodity that would be as efficacious as cotton as a security for the protection of the Government ought to be accepted. But I do not believe that iron would. It will rust.

Mr. BEVERIDGE. Of course iron and steel are the most durable in price, and they are prime necessities in all civilized States, and in case of an emergency they would not have to be held long. Would the Senator think that rust would greatly depreciate the value of pig iron or steel during the time it had to be held for emergency currency, and that cotton would not depreciate?

Mr. McLAURIN. I think it would. I know it would not be nearly so good security as cotton, but if it were I would have no objection to making the loan upon iron. I am sure if it is as good as cotton it is far better than railroad bonds. Iron and steel would not be good to relieve a panic, because during such times you could not convert it into money at home nor abroad; whereas neither the calamity of war nor panics can stop the use of cotton or its sale, if it can be procured. The greater the stress of circumstances the greater the demand for cotton, and, of course, the better the price; and the better the price the better the security.

Mr. PERKINS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from California?

Mr. McLAURIN. With pleasure.

Mr. PERKINS. I wish to ask my friend, the Senator from Mississippi, if he would be willing to class wool with cotton. I come from a State which produces a large quantity of wool, and the same arguments which make in favor of cotton would operate in favor of wool.

Mr. McLAURIN. They possibly would; and if wool is as good as cotton, then it would be a good thing upon which to predicate a loan—that is, if it is not liable to be corrupted by moths. I am sure that wool would not be as good security as cotton. This country does not produce wool sufficient for its own consumption; it raises enough cotton for the world.

Mr. BEVERIDGE. So we have, then, cotton, wool, and iron.

Mr. McLAURIN. I do not think iron would do; it would rust and otherwise be unfit for such use.

Mr. BEVERIDGE. Then I suggest to the Senator aluminum. It does not rust.

Mr. McLAURIN. Suppose we take gold.

Mr. ALDRICH. Why not silver?

Mr. McLAURIN. I think silver is the best money there is.

Mr. President, it is said that the money which would be issued upon all these commodities would be more than would be necessary for the emergency. So would the money that would be issued upon the United States, State, county, municipal, and railroad bonds be more than would be necessary for the emergency. The same objection would obtain to them. It is not proposed by the author of the bill, or of the substitute, that more money shall be issued than sufficient for the emergency, however superabundant the security.

Mr. President, whenever you assert or admit that the banks are the only medium of putting money into circulation you afford an argument for the issuance of bank notes, because if banks are the only medium of putting money into circulation you could not expect them to put any except their own money into circulation. But I deny the proposition that banks are the only medium of putting money into circulation. If the Government loans Jones a thousand dollars and he pays part of it on his debts, and buys clothing and other necessities and

conveniences with part of it, and improves his farm with part of it, if he be a farmer, or makes other improvements, if he has other vocation, this money gets at once into circulation without the intervention of a bank, though in all probability the greater portion of it will get into the banks and from there be again put into circulation, wherein the banks will be serving a useful and beneficent purpose.

The bonds of the States are, many of them, and possibly all of them, equal in value to the bonds of the United States, and are just as certain of redemption, just as certain of payment as the bonds of the United States. But they can not be offset against the obligations to the United States, whereas the bonds of the United States Government can be offset against the obligations to the United States. If a person borrows from the United States a thousand dollars and holds the bond of the United States for a thousand dollars, one obligation can be made to offset the other if the emergency arises.

Mr. BACON. Will the Senator pardon me for a moment?

Mr. McLAURIN. With pleasure.

Mr. BACON. I understand the contention of the Senator to be that bonds of the United States should furnish the only basis for an emergency currency. Am I correct? Is that the basis of the argument?

Mr. McLAURIN. Yes; I think when a United States bond is presented at the Treasury the Government ought to issue United States notes of its par value to the holder and cancel the bond.

Mr. BACON. The point I wish to call to the attention of the Senator in regard to that is that we have now within less than \$200,000,000 of notes already issued as against the total amount of bonds against which they can be issued.

Mr. McLAURIN. I think it is \$301,000,000.

Mr. BACON. No; the Senator is mistaken. I have in my desk the Treasury figures, which I got from the Comptroller of the Currency. These are the figures as they existed probably six weeks ago. I do not suppose there has been any material change since then. Some six weeks ago the circulation as given me by the Comptroller of the Currency was \$694,336,586. That was the amount of the national-bank circulation. The total amount of bonds outstanding available under any circumstances for circulation was \$898,210,000, making something like \$204,000,000 excess only.

Now, if the Senator would limit the emergency issue to such as could be based upon national bonds, he would necessarily limit the increase to that amount of some two hundred and odd million dollars, which, I understand, is recognized by all as insufficient if anything is to be done.

I desire to say to the Senator that I very gravely doubt the policy of the so-called "emergency currency," having a pretty strong conviction that there is enough money in the country if it can be confined to legitimate uses. But I do not wish to enter into any side argument on that subject. I simply wish to call the attention of the Senator to the fact that if he recognizes that an emergency currency is needed, and that that emergency currency should be to the extent, possibly, of \$500,000,000, if the security for that emergency currency were limited, as the Senator contends it should be, to United States bonds, the volume of that emergency currency must necessarily be limited to some \$200,000,000.

Mr. McLAURIN. I do not agree with the Senator. I have not the figures before me, but my recollection is that they are \$300,000,000. But upon the statement the Senator has made, that would leave something over \$60,000,000 of the 10 per cent margin on the bonds that have already been predicated for the issuance of notes.

Mr. BACON. There is not any 10 per cent margin now. That law has been changed.

Mr. McLAURIN. When was it changed?

Mr. BACON. Two years ago. The banks are now authorized to receive currency up to the par value of the bonds.

Mr. McLAURIN. But they have not all done so.

Mr. BACON. That is another question. But they have all done this: What they have done is to issue notes to the extent of \$694,336,586.

Mr. McLAURIN. And that was done only during the late panic.

Mr. BACON. That was the amount issued at the date of the communication I received from the Comptroller of the Currency.

Mr. McLAURIN. What is that date?

Mr. BACON. Since this bill has been introduced; this year.

Mr. McLAURIN. Very well. What was the issue on the 1st day of last October?

Mr. BACON. I have not that, but I simply state to the Senator that what I hold in my hand is authentic. I myself received it over the telephone from the Comptroller of the Cur-

rency, giving me the exact figures at that date, and whether the banks have issued up to the full amount or not, the amount which they issued at that date is the amount stated, \$694,336,586, and the total amount they could have issued at that date was \$898,210,050.

Mr. BAILEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Texas?

Mr. McLAURIN. Certainly.

Mr. BAILEY. Both Senators are accurate from their different points of view. The Senator from Mississippi took the figures before the additional \$94,000,000 of national-bank notes were taken out to meet the demands of the panic. The figures of the Senator from Georgia are as of a date after those notes were taken out, and that is why the discrepancy appears. Of course the notes that were taken out to meet the requirements of the panic are now being retired at the rate of \$9,000,000 a month.

Mr. McLAURIN. They will be retired until the amount will return to \$300,000,000, as I have said.

As I have stated before, I do not believe there is any great danger of any recurring panic if the banks of the entire country, and especially of New York City, because I think their delinquency was the cause of the late panic, will observe the law in the future. If they do not do so and defy the law, there will be no necessity for legislation, because no amount of issuance can prevent panics under such circumstances.

Now, I have said that I would confine it to United States bonds, not because, as I have said, I doubt the solvency of State bonds, county bonds, and municipal bonds, or railroad bonds, but because the Government, having the notes issued and the loan made upon United States bonds, can offset these bonds against the loan and there will be no necessity for liquidation. There can be no question about the solvency of the banks, so far as the circulation of their own notes is concerned, that issue money, and to that extent confidence is reposed in the deposits that are in the banks.

Mr. BACON. I quite understand the attitude of the Senator in that regard. I simply desired to call his attention to a practical difficulty growing out of the limited issue of United States bonds outstanding.

Mr. McLAURIN. I do not see that that would be any difficulty, Mr. President. But in the event that State, county, municipal, and railroad bonds are to be made the predicate of loans, I would have that other security—cotton—that is better security than railroad bonds, as the predicate for these loans in time of panic. It would only be serviceable in time of panic, for in times of ordinary money circulation the cotton producer can get money on his cotton from anybody or bank who has money to loan, and there are plenty who have money to loan in such times.

Mr. BACON. I do not want to be misunderstood. I quite agree with the Senator, so far as railroad bonds are concerned. I would never agree to the issue of money upon the basis of railroad bonds as security or any other industrial bonds.

Mr. McLAURIN. When I say that in Government loans cotton is a better basis of security than all bonds except United States bonds, I do not mean to disparage the solvency of State, county, or municipal bonds, or railroad bonds for that matter, but I mean to say that in times of panic the cotton can be converted into money when no bond, not even a United States bond, can be converted into money; and the United States bond is better only because the obligation to the Government can be offset against the obligation of the Government. The Government being the obligor in one instance and the obligee in the other, the two can be offset, which can not be done with any other class of bonds on a Government loan.

It is said as an objection that none but a prosperous farmer could borrow money from the Government on cotton, because none but a prosperous farmer would have the cotton. I answer, neither could any banker but a prosperous one borrow from the Government, because none other would have the security. If the prosperous farmer borrows the money and puts it into circulation, it serves all who use money and stops the panic, and that is said to be the purpose of the bill.

However, the stage of the panic when it could have been advantageous to the public or profitable to the cotton producer to circulate money on cotton security is past. The discussion of the question is, for the present, mostly academic, and I have therefore touched it lightly. When I introduced the bill on the 9th day of December for the issuance of money upon United States bonds and upon cotton, I did not provide that cotton should be a permanent basis of credit for the issuance of notes, but for the purpose of relieving the then existing panic, and therefore I limited it to the 1st day of February, 1900. It can



not be denied that if such law had been in existence on the 1st day of October there could not have been any panic, because \$500,000,000 could have been put into circulation in less than ten days.

We are assured by Senators that the committee bill is not to help the bankers, but to get money into circulation when panic is threatened. So I give assurance that the bill I offered was not, primarily, to benefit the farmer alone, but to put money into circulation and relieve the people of the then existing panic, and thereby serve all who handle or use money; if while benefiting the entire country it incidentally helps the farmer, I am sure no reasonable man should grudge him such help.

When I propose that if the Government is to loan money to some of the national banks it shall loan to every other bank and to everybody else on the same kind and quality of security, I am told that no merchant but the prosperous merchant will have the bonds on which to base the loan. I answer, none but the banks that have the bonds can secure the loans; so the same argument would apply with equal force against loaning to national banks. All I ask is that the law be made to treat all on the same terms, and then, of course, they who can not furnish the security will not expect to secure a loan.

Should the crisis ever recur it is hoped what I have said may be found to have merit. I am sure if the measure I offered—that is, the advance of money to all alike on United States bonds and cotton—had, in a less crude form, been the law last September, there should not have been any panic, and the hundreds of thousands now unemployed would be earning good wages.

I limited the act, so far as cotton is concerned, to the 1st of next February, because of my confidence that the remedy would have dissipated the panic long ere that date; indeed, I would have been willing to limit the date to May 1 of this year. Inasmuch as this was for the purpose of dissipating the then existing panic, in the interest of all who operate money or are benefited by its operation, and not alone nor primarily in the interest of the cotton planter, and in the present and prospective conditions can not serve the same good purpose, and as the bill I introduced has not had the favorable consideration of the Finance Committee, I intend to only offer as an amendment to the committee bill that part of my bill which proposes that the Government in loaning money shall not restrict it to one class, but shall treat every citizen alike. There is no more reason for the Government to restrict its loans to the banks because they deal in money than confine the protection of its laws to lawyers because they deal in law.

That provision of my bill that offers to punish gambling in cotton futures is predicated on the right of Congress to protect its securities, and without the other provisions would impinge the Constitution. Of course I would not prohibit factories or anyone else from buying cotton to be delivered in the future. No lawmaker desires to make such law. But gambling in cotton futures is a different thing. That is, where there is no intention or expectation that cotton shall be delivered. It is a bet on one side that cotton will be higher in price and on the other side lower than a certain amount at a certain date. This is gambling in the sweat of the cotton producer.

Mr. President, I will trespass but little further upon the patience of the Senate. The banks do not need this legislation; I am inclined to think they do not want it, outside of New York and Chicago. The banks are prosperous. Every bank is interested in the integrity and stability of the banks of the country. They are operated by able, alert, active, and astute men, and generally patriotic men. Strike out of this bill all reference to State, municipal, and railroad bonds. It was the talk of these bonds that influenced me to offer cotton as at least an equally safe security. It is a security that can be readily converted into money in times of panic. Strike these bonds out and I will not insist on cotton. The farmer does not want any special legislation for him that militates against anybody else. All he asks is for laws that treat him as well as they treat others.

Put in the bill a plain provision that anyone who has Government bonds can go to the Treasury or subtreasury and have them cashed at any time and you have the question solved, as far as legislation can solve it. Great benefit can thereby come to the Government in saving millions of dollars paid as interest, and great advantage to the business of all alike.

#### CERTAIN LAND IN ANACOSTIA.

Mr. CARTER. From the Committee on the District of Columbia I report an original bill and submit a report thereon. I ask that the bill be read the first time by its title and the second time at length.

The bill (S. 6047) repealing section 13 of the act approved March 2, 1907, entitled "An act amending an act entitled 'An

act to increase the limit of cost of certain public buildings, to authorize the purchase of sites for public buildings, and to authorize the erection and completion of public buildings, and for other purposes,' and for other purposes," was read the first time by its title and the second time at length, as follows:

*Be it enacted, etc.,* That section 13 of an act entitled "An act amending an act entitled 'An act to increase the limit of cost of certain public buildings, to authorize the purchase of sites for public buildings, to authorize the erection and completion of public buildings, and for other purposes,' and for other purposes," approved March 2, 1907, be, and the same is hereby, repealed.

Mr. CARTER. I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. CARTER. Mr. President, I desire the special attention of the Senate to this particular measure. In order that its character may be understood I ask that the accompanying report be read.

The VICE-PRESIDENT. The report will be read.

The Secretary read in part the report submitted this day by Mr. CARTER, the entire report being as follows:

[Report to accompany S. 6047.]

The Committee on the District of Columbia, having had under consideration section 13 of an act of Congress commonly known as the "public building bill," approved March 2, 1907, and believing that the immediate repeal of that section is demanded by the public interest and to prevent the consummation of a fraud on the Government, herewith presents a bill providing for such repeal and recommends that the same do pass.

A correct understanding of this extraordinary section requires a brief review of certain transactions and enactments generally relating to the same subject-matter.

By an act of Congress approved March 19, 1904 (33 Stats., 143), the Secretary of War was authorized and directed to convey to Sidney Bieber, his heirs and assigns, "all the right, title, and interest of the United States in and to all of a certain square of land in the city of Washington, in the District of Columbia," stated in the act to be "known upon the plat or plan of said city as square numbered eleven hundred and thirty-one."

On the 26th day of July following the approval of that act, the Acting Secretary of War conveyed the square of land in question to said Sidney Bieber by a deed dated the 26th day of July, 1904, in consideration of \$1,000, though the land thus conveyed was the property of the United States, located on the tide-water flats of the Anacostia River, and said to extend to and embrace a part of the Congressional Cemetery.

Bieber based his shadowy claim to the land upon what was manifestly a fraudulent transaction, whereby a person without title or claim of right deeded the land to one Mary E. Sweetzer, who, in due course, caused the same to be listed for taxation. Thereafter the property was held subject to nominal assessment and repeatedly sold for taxes until ultimately all the alleged outstanding tax titles were acquired by Sidney Bieber, and that enterprising gentleman thereafter set about to remove the clouds from his title, existing because of the paramount title of the United States.

The square referred to did not appear on any official map of the city of Washington, and consisted mainly of accretions occurring through deposits and recession of the waters of Anacostia River, the Government being the owner of all the abutting property. The act of Congress treated the paramount title as a cloud on what appears to have been a purely fictitious title. As to late acquisitions in the same locality, Mr. Bieber did not deem it necessary to even have a fictitious title to proceed upon, for we find that by section 21 of the public building bill, which was approved as an act June 30, 1906 (34 Stats., 772), it was provided:

"That the Secretary of War be, and he is hereby, authorized and directed to grant and convey unto Sidney Bieber and his heirs and assigns all the right, title, and interest of the United States in and to all of certain land in the city of Washington, in the District of Columbia, lying south of squares Nos. 1123, 1148, and 1149, conforming with the metes and bounds of square No. 1131, and that part of square No. 1117 situated between the north lines of Water and I streets, the east line of Eighteenth street and the west line of Nineteenth street, when said streets are extended, upon the payment by the said Sidney Bieber into the Treasury of the United States of such sum of money as the said Secretary of War, upon consideration of all the circumstances, shall determine proper to be paid for the said squares; and the surveyor of the District of Columbia is hereby authorized and directed to mark out such areas, to record plats, and to designate the proper square numbers."

Under this last-named act the Acting Secretary of War did, on September 19, 1906, convey all the land described to Sidney Bieber for the sum of \$3,903, which sum was held to be, upon consideration of all the circumstances, a proper sum to be paid to the United States for the land. By these two acts of Congress Mr. Bieber acquired blocks of land extending from the Congressional Cemetery to and including a portion of the elevated ground on the eastern shore of the Anacostia River. Under the last act there does not seem to have been any pretense of adverse title as against the United States, nor was there any doubt about the United States being the owner of the property conveyed.

As to all the property acquired by Mr. Bieber from the Government pursuant to the two acts of Congress referred to, the Government is without remedy, unless the conveyances to Bieber can be canceled through appropriate judicial proceedings. For reasons not stated, but apparently obvious, the name of Mr. Bieber does not appear in the section which the bill herewith reported proposes to repeal, but the language of the section leaves no doubt that he was the person intended to be immediately benefited by section 13 of the public building act approved March 2, 1907, which reads as follows:

"That the Secretary of War be, and he is hereby, authorized and directed to convey to the purchaser from the United States of square No. 1131, and the south part of square No. 1117, and the squares south of squares Nos. 1123, 1148, and 1149, in the city of Washington, all the interest of the United States in the land lying south of the squares so purchased and between them and the channel of the Anacostia River,

upon the payment by such purchaser into the Treasury of the United States of such sum of money as the said Secretary of War, upon consideration of all the circumstances, shall determine proper to be paid for the said land; and the surveyor of the District of Columbia is hereby authorized and directed to mark out such land and determine the areas, and to record a plat thereof."

By this extraordinary section the Secretary of War is directed to convey to Mr. Sidney Bieber, who was the purchaser of the land described in the section, all the interest of the United States in squares lying south of the squares to which Mr. Bieber had acquired title in pursuance of the two preceding enactments. Such conveyance would substantially deprive the United States and the city of Washington of all the water front on the Anacostia River south of the north line of the Congressional Cemetery extended, and indeed it is not clear that the conveyance would not embrace a considerable portion of the ground upon which the Government Hospital for the Insane is located.

Fortunately the Secretary of War has not executed the deed required by the terms of this last-mentioned enactment, and the bill herewith reported is intended to repeal section 13, which directs the Secretary of War to make such conveyance. In the judgment of the committee, Congress is bound by imperative duty to exercise its full power to prevent the consummation of the fraudulent scheme underlying the subtle land-grabbing operation very clearly disclosed by the successive acts herein recited. As to the lands conveyed, Congress seems to be powerless, but the committee is investigating the subject and hopes to be able to make some recommendations in the premises at a later date.

That Congress could not have realized the true intent and purpose of the acts of 1904, 1906, and 1907, in so far as they related to this subject, is made quite clear by reference to previous and contemporaneous action of Congress with reference to the Anacostia River front.

By its joint resolution of April 11, 1893 (30 Stats., 738), Congress directed the Secretary of War to prepare and submit—

"a project for the improvement of the Anacostia River and the reclamation of its flats from the line of the District of Columbia to the mouth of said river, with an estimate of the cost of the same and a report on the area and ownership of the land to be reclaimed."

In December following the Secretary of War submitted to Congress the report of Lieut. Col. Charles L. Allen, Corps of Engineers, dated December 1, 1893, in which report is set forth at length the necessity for the improvement of the Anacostia River to secure—

- "1. Access to the navy-yard.
- "2. Increased facilities for commerce and navigation.
- "3. Removal of unsanitary conditions."

The project was divided into three sections, as follows:

- Section I. From the mouth to the Navy-Yard Bridge.
- Section II. From Navy-Yard Bridge to Benning Bridge.
- Section III. From Benning Bridge to the District line.

The cost of executing the project was estimated in detail, and the aggregate cost for sections I and II amounted to about \$2,000,000.

In 1902 Congress appropriated \$150,000 in addition to the sum of \$20,000 theretofore allotted to this river improvement. The project as to work in progress provides for the improvement of that portion of the Anacostia River below the Navy-Yard Bridge by dredging a canal 24 feet deep for a width of 400 feet and depositing the dredged material on the adjacent flats to an average elevation of 7 feet above low tide, the reclaimed area to be surrounded by an earth embankment to a height of 14 feet above low tide, protected by a masonry sea wall and provided with suitable drainage, at an estimated cost of \$1,218,525.

In 1905 the Chief of Engineers reported that—

"The improvement already made has been of benefit to navigation and has resulted in the diversion of considerable traffic from the Washington channel, where conditions were rapidly becoming congested."

In the same report the recommendation is made—

"that such land as is required for the improvement be acquired, and that all matters as to riparian rights and ownership of the reclaimed lands be settled by the condemnation and purchase of a strip of land adjacent to the shore, or otherwise, before the flats at these localities are reclaimed."

On July 31, 1905, Lieut. Col. Smith S. Leach, Corps of Engineers, reported that—

"The trade and commerce of Washington are increasing, while the wharf facilities along the Potomac front are inadequate for the present traffic and afford no room for expansion. The improvement of the Anacostia will give the needed additional wharfage facilities and will afford abundant anchorage facilities, which do not now exist in this vicinity."

Additional expenditures were made in 1906, and Capt. Spencer Cosby, Corps of Engineers, reports that in addition to the benefit to navigation the total expenditure on the project to that date had resulted in reclaiming about 460 acres of desirable land in addition to providing a channel 20 feet deep at mean low tide and of at least 300 feet wide (except at Buzzards Point, where the width is about 240 feet) for a distance of over 9,100 feet upstream from the mouth of Anacostia River—that is, up to about to the center of the navy-yard. Until the completion of Section I, the designed improvement of Sections II and III will not be attempted, particularly as far as dredging is concerned.

Again, on February 27, 1906, the House of Representatives' concurrent resolution No. 21 requires the Commissioners of the District of Columbia "to submit to Congress a report upon the improvement of the so-called 'flats' of the Anacostia River from its mouth to the District line, with recommendations and estimates of cost," and on June 21, 1906, the Commissioners' report (H. Ex. Doc. 903, 59th Cong., 1st sess.) makes favorable reference to the general project proposed in 1893 and suggests that—

"the subject of the treatment of the Anacostia River and flats was taken up by a commission appointed March 1, 1901, by the United States Senate, to report on a park system for the District of Columbia."

In the recommendations of the commission referred to (see S. Rept. 166, 57th Cong., 1st sess.) occurs this language:

"To offset this cost there will be in the commercial section a filling in of 600 or more acres of land, which, if the riparian rights are obtained, will belong to the United States, and can be utilized either as a park or sold for commercial use. This will offset to a considerable extent the cost of the project, and if it is leased will doubtless give an adequate return on the money spent."

The commission further recommends—

"that counsel be employed to investigate and determine the ownership of the land and riparian rights along the Anacostia River, and if ownership and rights can not be thus ascertained, that the Attorney-General be directed to bring suit for the purpose."

The Acting Attorney-General, in an opinion dated September 6, 1905, advised the Secretary of War that the title to lands embraced in the

so-called "Anacostia flats" was derived from the same source as its title to what is known as the "Potomac flats," which has been judicially established. (See *Morris v. United States*, 174 U. S., 196.) The title of the Government rests upon the cession made by the act of the State of Maryland of December 23, 1788.

It is title to this valuable property that Mr. Sidney Bieber has sought to acquire, first by piecemeal and finally by wholesale through section 13, of the act approved March 2, 1907, which section the bill herewith presented is intended to repeal. It is inconceivable that Congress, while thus making large appropriations for the improvement of Anacostia River and the adjacent tide flats, and exhibiting solicitude for the acquisition of all interfering titles, should have intentionally directed the Secretary of War to convey to Mr. Sidney Bieber or anyone else substantially all its title to such tidelands.

The record of the debates in both Houses of Congress shows that the subject of such proposed conveyance was not considered or understood, but on the contrary it appears that the act of 1907 was intended merely to correct a number of errors in the legislation had at the last session.

It was alleged on the floor of the House that the bill made no appropriation and that all changes provided for were within the limits of cost theretofore fixed. A Member having the bill in charge on the floor of the House, in reply to a question by Mr. TAWNEY, made this statement:

"There is not one dollar's worth of new construction, nor is there a foot of ground authorized, but in some cases it was necessary to transfer from the appropriation made for the building to the appropriation made for the site, because an additional small amount was necessary to procure the site which the people wanted."

Nowhere was any suggestion made that the bill contained a section directing the Secretary of War to convey to a stranger the title of the United States to valuable tidelands in the District of Columbia then being improved at large expense to the Government.

Before the reading was concluded—

Mr. CARTER. I ask that the remainder of the report be printed in the RECORD. In order to obviate the necessity of further reading, I will make a brief statement of the facts in this case.

To begin with, I regard the successive enactments as the most extraordinary that ever passed Congress within my knowledge. In 1904 a bill was passed apparently to cure a defect or remove a cloud upon a title to a block of land in the Congressional Cemetery and said to embrace a part of the cemetery itself. This alleged cloud really consisted of the paramount and undisputed title of the United States to the land, but it was called a cloud because, forsooth, many years before an individual who had no right, shadow, or claim of title deeded the property to a certain lady mentioned in the report, Mrs. Sweetzer. I think. Mrs. Sweetzer defaulted in payment of taxes after having listed the property for taxation. Strange to say, this property of the United States was sold by the District of Columbia for taxes, repeatedly thereafter sold, and finally became the property of Mr. Sidney Bieber. Mr. Sidney Bieber proceeded to remove the cloud on his tax title, and Congress passed an act providing that the Secretary of War should deed the block in question to Mr. Bieber for such consideration as, considering all the circumstances, seemed to be just.

Mr. GALLINGER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from New Hampshire.

Mr. CARTER. Certainly.

Mr. GALLINGER. The subsequent transactions that the Senator from Montana will doubtless call attention to have no relation to the Committee on the District of Columbia, but as the original bill came from the House of Representatives to the Committee on the District of Columbia and was reported from that committee, with the Senator's permission, I should like to make a very brief statement concerning it.

Mr. CARTER. Certainly.

Mr. GALLINGER. The bill, as the Senator suggests, was ostensibly for the purpose of removing a cloud from the title.

Mr. TELLER. We can not hear the Senator on this side, and it is a matter of some importance, I think.

Mr. GALLINGER. I beg the Senator's pardon. I will speak a little louder. The bill, as the Senator from Montana suggests, was represented to be for the purpose of removing a cloud from the title to a block of land on the Anacostia Flats, almost entirely, as I recall it, under water.

It provided that the United States Government, which seemed to have some claim to the land (it was pretty difficult to ascertain the exact ownership of it), might for a consideration to be agreed upon execute a deed and place the property in the possession of Mr. Bieber, he, as I remember the matter, holding tax titles to it. The bill was referred, as I recall it, and I think I speak authoritatively, to the War Department, and a report came back saying that the Department saw no objection to the passage of the bill. Upon that assurance from the War Department the bill was reported from the committee and became a law.

Subsequently the Department conveyed the land to Mr. Bieber, receiving about \$1,000 compensation for the property. So far as the passage of that bill is concerned the Committee on the District of Columbia is somewhat responsible for it, but



no member of that committee had the least conception at the time that there was anything irregular or improper in the transaction. I am not well advised now as to whether there was or not. There is a great deal of property in the District of Columbia concerning which the title is in controversy, and I think this particular square of ground would come under that head. It had been sold for taxes, and two or three different persons, as I recall it, had at various times tax title to it. The committee acted in entire good faith, as the Senator from Montana, of course, will readily understand, and the transaction became a fact, and the property was transferred to Mr. Bieber.

The subsequent transactions the Senator from Montana will doubtless recount, but they have no relation whatever to the Committee on the District of Columbia.

Mr. TELLER. I should like to ask some member of the committee if there is any charge of misconduct on the part of the man who got title under the first act?

Mr. GALLINGER. I have never heard it alleged.

Mr. TELLER. What was the necessity of the second measure?

Mr. GALLINGER. The second and the third transactions were consummated through a provision in a public buildings bill, coming from the other House, and concerning which the Committee on the District of Columbia knew nothing, and I apprehend the Senate knew very little, if anything at all, about it.

Mr. TELLER. It seems to me the difficulty we are met with here is that the Government has already by an act conveyed this property to a man.

Mr. GALLINGER. It conveyed, I will say to the Senator, one square and then subsequently one or two further squares, but by legislation on a public-buildings bill title was given to the same person for a much larger quantity of land, and that has been held up. It is to prevent the transfer of that property that this bill has been reported.

Mr. TELLER. On that he has not paid anything.

Mr. GALLINGER. He has not paid anything. The War Department has held it up. I think the Pennsylvania Railroad became a party to the controversy on the claim that the road had some interest in the property. The Senator from Montana knows more about that than I do.

Mr. TELLER. And this is only to repeal an act that has not been put in operation?

Mr. GALLINGER. That is the purpose.

Mr. TELLER. There can not be any harm done to this man who claims this ground? I would not like to say that we could legislate that title out of him.

Mr. GALLINGER. Oh, no; that is not intended.

Mr. CARTER. Mr. President, the first bill, that of 1904, passed, as the Senator from New Hampshire said, the report of the House committee being adopted merely in the Senate. The bill passed in a pro forma manner, under the general impression that a shadow or a cloud existed on the title, that the bill was intended to remove.

Somewhat encouraged by the success of that operation, Mr. Bieber proceeded, through a section of the public-building bill of 1906, to have the Secretary of War directed to convey to him, I think, four other squares, reaching across the Anacostia River to its eastern shore. In due course of time the Assistant Secretary of War executed the deed, so that Mr. Bieber thus became, as the grantee of the United States, the owner of a succession of blocks extending from the Congressional Cemetery, and said to include a part of it, over to and including some of the shore on the eastern side of the river. That deed is now of record and the jurisdiction of Congress over the subject-matter has ceased.

But Mr. Bieber, in 1907, returned and procured the insertion of section 13 in the public-building bill, which directs the Secretary of War to convey to the purchaser of these five blocks all of the land owned by the United States south of it, which would embrace all of the tide flats of the Anacostia River south of these blocks practically down to and including the landing at the navy-yard. According to the broad language of the section, Mr. Bieber could, I think, demand a conveyance of a strip of ground extending through the grounds of the National Hospital for the Insane.

The Government, contemporaneous with this line of proceeding, was arranging on a large scale a scheme for the improvement of this identical ground and for the deepening and widening of the channel of the Anacostia River from its entrance to the Potomac to the District line. A large sum of money was expended during these years upon that channel. It has been widened to 400 feet, or thereabouts, and a depth of 20 feet of water has been obtained up to and somewhat above the navy-

yard. Over 400 acres of land of great value, with the riparian rights attached, have been reclaimed in the process of that improvement.

This conveyance, which the Secretary of War has not made, but is by law directed to make, would deprive the Government of a goodly portion of the property it has reclaimed, and transfer to an individual, who has neither shadow of claim nor right, this property, which, in due course of time, will become of very great value.

The VICE-PRESIDENT. The Senator from Montana will kindly suspend while the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (S. 3023) to amend the national banking laws.

Mr. ALDRICH. I ask that the unfinished business may be laid aside informally.

The VICE-PRESIDENT. The Senator from Rhode Island asks unanimous consent that the unfinished business be temporarily laid aside. Without objection, it is so ordered. The Senator from Montana will proceed.

Mr. NELSON. I wish to ask the Senator from Montana a question. Do I understand the object of the bill to be simply to repeal the act authorizing the Secretary of War to make a conveyance which he has not yet made?

Mr. CARTER. That is the purpose of the bill.

Mr. NELSON. It does not cover more than that?

Mr. CARTER. No; I draw attention especially to the bill because it discloses a very great peril to public property in this District. It would be impossible to procure title to property 2,000 or 3,000 miles from here on the public domain in any such irregular manner. There would be special agents, and properly special agents, to protect the public domain; but this transaction indicates that any individual may convey to another the very ground on which this Capitol stands, and thereupon the District assessor will place the land on the assessment books subject to assessment, and if the taxes are not paid will sell the property for taxes. Any other square in the city may be encumbered and clouded as to title in precisely the same manner in which this operation was carried into effect.

One of the things connected with the transaction that is somewhat alarming rests in this: While this legislation inadvertently passed through Congress, an executive officer did not hesitate before carrying the act into effect a sufficient length of time to admonish Congress of the nature and effect of the law if carried out. Two former deeds were made very promptly, considering the manner in which departmental business is conducted, after the law was passed. I sincerely trust that this lesson may be of sufficient force to restrain the assessor of the District of Columbia or the Commissioners having its affairs in charge from permitting anyone to list the public property of the United States in the District of Columbia for assessment.

In the case of the section which it is proposed to repeal the Secretary of War has faltered. He appointed a commission to examine the ground and ascertain its value and then referred the bill to the Attorney-General for the purpose of ascertaining whether under all the conditions he was bound to convey the land as prescribed by the act of Congress. Because of these delays on the part of the Secretary of War the title of the United States to this valuable property has been preserved to the Government.

I can see no objection to the repeal of the law, and it appears quite manifest that duty requires that it should be repealed.

Mr. GALLINGER. Mr. President, I omitted to state when on my feet a moment ago that the second transaction to which the Senator from Montana has called attention was presented to the Committee on the District of Columbia. That committee did not agree to report the bill and it became a law through a provision on the public-buildings bill, which came from another body.

The VICE-PRESIDENT. If no amendment be proposed, as in Committee of the Whole, the bill will be reported to the Senate.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

#### CROW RESERVATION LANDS IN MONTANA.

Mr. DIXON. I ask for the present consideration of the bill (S. 4793) authorizing settlers on Crow Reservation lands in Montana to mortgage same for the construction of irrigation systems prior to final proof.

The Secretary read the bill, and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported from the Committee on Indian Affairs with amendments, on page 1, line 3, after the word "That," to strike out "all settlers" and insert "any settler;" in line 9, after the word "who," to strike out "have" and insert "has;" and in line 10, after the word "who," to strike out "have" and insert "has;" so as to make the bill read:

*Be it enacted, etc.,* That any settler under the homestead laws of the United States on the portion of the ceded lands of the Crow Indian Reservation in the State of Montana, which was opened to settlement under act of Congress of April 27, 1904, and President's proclamation dated May 24, 1906, who has entered said lands previous to January 1, 1908, and who has established or shall hereafter establish residence on said land, shall be entitled to patent for the land so entered upon the payment to the local land officers of the usual and customary fees and the balance remaining unpaid on the purchase price of said lands. It shall be lawful for any such entryman to make and enter into an agreement with any irrigating company or other person or corporation for the purpose of borrowing money for the payment of the purchase price of said lands and all fees due the Government and for the cost of an irrigating system for said lands or other improvements necessary for the use of said lands for farming purposes, or for all of these purposes. Said entryman may make and execute a mortgage upon the lands so entered for the amount of any such loan and file the same in the local land office and deposit with the receiver the amount due the Government, and the mortgagee shall have a lien upon the premises from the time and after which the mortgage is so filed. It is expressly intended hereby to authorize the execution of a mortgage on the land before the issuance of receiver's receipt or patent, but nothing herein shall operate to divest the Government of its claim and lien for all moneys due the Government under the entry.

Mr. TELLER. While I am familiar in a general way with the purpose of the bill, I do not suppose I know all the facts, and I should like to have the Senator from Montana state just what the bill proposes to accomplish.

Mr. DIXON. In answer to the inquiry of the Senator from Colorado, I will say that these lands were opened to settlement four years ago. They lie in the northern part of the present Crow Reservation. They were opened under the homestead law, but the settlers were to pay, under the terms of the act, \$4.50 an acre to the Crow Indians, the Government merely acting as trustee in the disposal of the lands.

Mr. TELLER. They were Indian lands?

Mr. DIXON. They were Indian lands, which the Government held as a trustee. The settlers were to pay \$4.50 an acre. The supposition was that a Government irrigation canal would cover the land thus occupied. A number of settlers went in there on arid lands, upon which they could not make a living unless the land was irrigated. They paid a dollar an acre as the first purchase money. The remaining \$3.50 per acre was to be paid in five annual installments. They have negotiated with three or four ditch companies to construct a canal to irrigate the land, but the question has invariably arisen that they can not give any kind of a title so that the irrigation company will be secured.

They sent a committee here a few months ago and we talked with the Commissioner of Indian Affairs. The Commissioner of Indian Affairs suggested this proposed legislation, which, in effect, gives any irrigation company that will contract to dig the ditch the right to go in and make the payments in advance, which the Indians would not otherwise get before the lapse of from one to five years. The Indians will get a part of their money five years ahead of time, the irrigation company furnishing the money to commute the proof and taking a mortgage on the land. The homes of about 540 settlers, as has been represented to me, are involved in this measure.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### SCHOOL LANDS IN NEW MEXICO.

Mr. FLINT. I ask unanimous consent for the present consideration of the bill (H. R. 9205) to make the provisions of an act of Congress approved February 28, 1891, (26 Stats., p. 796), applicable to the Territory of New Mexico.

The Secretary read the bill and, there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

Mr. SUTHERLAND. I understand the purpose of the bill is to permit the Territory of New Mexico to select lands in lieu of certain sections reserved to the Territory for school purposes. Is that the purpose of the bill?

Mr. FLINT. The purpose of the bill is to permit the Territory of New Mexico to select lands in lieu of the sixteenth and thirty-sixth sections that were selected or disposed of prior to the act granting them to the Territory.

Mr. SUTHERLAND. I wish to ask the Senator from California whether those lands were granted to the Territory of New Mexico or only reserved, as was the case, I think, with most of the Territories.

Mr. FLINT. I will say to the Senator that the lands were granted, and the bill simply places the Territory of New Mexico on the same plane as the other States of the Union.

Mr. SUTHERLAND. It was an absolute grant, and not a mere reservation?

Mr. FLINT. Yes, sir.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

#### AMENDMENT OF PATENT LAWS.

Mr. SMOOT. I ask unanimous consent for the present consideration of the bill (S. 3970) to revise and amend the statutes relating to patents.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Patents with amendments.

Mr. TELLER. Mr. President, this bill seems to provide for a pretty general change of the statutes heretofore in existence relating to patents. It is utterly impossible for anybody who is even familiar with the patent business to determine from hearing it read whether this bill ought to become a law. I should like to know something more about it. I do not like to object to a bill which a Senator thinks ought to be passed, but I want to know something about the court of appeals for which the bill proposes to provide, what its jurisdiction is to be, and how we are to get rid of it if we find we made a mistake in creating it. These matters are not clearly defined in the bill, and I shall be compelled to object to it unless an explanation is made. I should like to hear the Senator explain the bill, and I reserve my objection until I hear what he has to say about it.

Mr. SMOOT. Mr. President, I will state that the bill itself is recommended by the Patent Office. In their recommendation they make the statement which I shall read in support of the bill as reported. The Committee on Patents have had the bill under consideration; they have gone over it very carefully, and it is the unanimous report of the committee that the bill should pass. The Commissioner of Patents says:

The proposed amendments to sections 482, 4894, 4904, 4910, 4914, 4915, and 4934 of the Revised Statutes, relating to patents, relate to appeals in this office. Under the present patent law appeal lies in ex parte cases from a primary examiner to the board of examiners in chief, thence to the Commissioner (or Assistant Commissioner), and from his decision to the court of appeals of the District of Columbia, and in interference cases the course of appeals from decisions of the examiner of interferences is the same, there being three appeals in each case.

The purpose of the proposed amendment to the statute is to shorten the course of prosecution by the elimination of one of the appeals within the Office. This is designed to be accomplished by combining the Commissioner, Assistant Commissioner, and examiners in chief into a single appellate tribunal any three of whom shall constitute a quorum, to which all appeals shall lie, whether from a primary examiner or from the examiner of interferences, and from which appeals would lie to the court of appeals of the District of Columbia. The present course of appeals is not well adapted to the volume of business which the Office is now called upon to handle for the following reasons:

1. It imposes on applicants an unnecessary amount of delay and expense. The very purpose of the patent system is to place at the service of the public at as early a date as practicable inventions as they are made, and unnecessary delays affect not only applicants but all interested in the industries to which the invention relates. One appeal within the Office, together with the appeal to the court of appeals of the District of Columbia, would seem to be ample, especially in view of the fact that in a suit on a patent a single appeal takes the case from the trial court to the court of appeals. The elimination of one appeal would materially shorten the time required for the ultimate disposal of appealed cases, and effect a considerable saving of expense to applicants.

2. Section 4910 provides for an appeal to the Commissioner in person from the board of examiners in chief. The work of the Office and the consequent number of appeals have increased to such an extent that it has become difficult and will soon be impossible for the Commissioner to give to each case the amount of personal attention proper to its disposal.

3. The board of examiners in chief as at present constituted consists of three members, and no provision is made under the present law to supply a temporary vacancy caused by sickness or absence from other cause of any of the members. The absence of one member often results in an evenly divided board, with the consequent necessity for a rehearing, and the absence of two members causes an entire suspension of business. With the proposed membership of five, the presence of a quorum of three would be practically assured at all times, which has not been the case in numerous instances in the past, owing to frequent absences of a member of the board on account of periods of illness of greater or less duration, and also by reason of annual leave and other causes.

The Office charge for appeals from the examiners to the examiners in chief under the existing law is \$10, and from the examiners in chief to the Commissioner is \$20. The amendment to section 4934, which provides for fees in patent cases, cancels these two provisions and fixes the fee for appeals from the examiners to the proposed board of appeals at \$15.

In other words, Mr. President, if the bill becomes a law it eliminates one court of appeals in the Patent Office. As stated by the Commissioner of Patents in his letter, there is one appeal from the examiner to the examiners in chief, and from the three examiners in chief there is an appeal to the Com-



missioner or the Assistant Commissioner, and then an appeal from the Commissioner or the Assistant Commissioner to the court of appeals in the District of Columbia.

Mr. TELLER. It leaves that just as it is now?

Mr. SMOOT. It leaves that just as it is now. It simply means the cutting out of one appeal in the Patent Office—that is, instead of having two appeals there will be one appeal to a court consisting of five instead of three members.

Mr. CARTER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Utah yield to the Senator from Montana?

Mr. SMOOT. I do.

Mr. CARTER. I observe that section 1 of the bill varies somewhat from any kind of legislation with which we are familiar. It provides:

That section 482 of the Revised Statutes be, and the same is hereby, amended by inserting in line 1, after the word "The," the words "Commissioner of Patents, the Assistant Commissioner of Patents, and the," etc.

Later on I notice that the language follows "so that the section so amended will read as follows"—

This preliminary section contains matter which I think would be better embodied in a report to accompany the bill. I can not understand the need of encumbering the statute with the suggestion that words be inserted here and there in a section which is afterwards given in full as it will appear when amended. I suggest to the Senator from Utah the propriety of striking out section 1 entirely. A very cursory reading of it will show how unusual that section will be to the person who undertakes to consult the statute.

Mr. SMOOT. Mr. President—

Mr. KEAN. That runs all the way through the bill.

Mr. SMOOT. If the Senator from Montana [Mr. CARTER] had the statute before him, he would notice that section 1 in this bill states just what words are to be changed in the statute and then recites that the section of the Revised Statutes, when changed as provided in section 1, will "read as follows."

Mr. CARTER. Mr. President, the suggestion of the point where these insertions are to be made and then reciting the statute as it will read when amended seems to be needlessly doubling up the work and tends to confusion rather than to elucidation. Why not say that "sections so-and-so shall be, and are hereby, amended so as to read as follows," leaving out the process by which you insert and strike out various words here and there in the course of the section? I think that a statement of the changes might properly be contained in the report, in order to show where the amendments were made, but ought not, I think, to be incorporated as a part of the bill.

Mr. SMOOT. Mr. President, as I have said, there is virtually nothing in section 1 but a recital of the changes made. I have no objection whatever to having section 1 amended as suggested by the Senator from Montana, so as to provide:

That section 482 of the Revised Statutes be, and the same is hereby, amended so as to read as follows:

Mr. GALLINGER. I call the attention of the Senator from Utah to the fact that if section 1 is so amended, the other sections ought to be amended likewise. The same objection would lie to the other sections.

Mr. CARTER. I suggest to the Senator from Utah that he can avoid the recapitulation of this phrase providing for the amendment by simply saying that the sections, naming them all, "shall be amended so as to read as follows," and thus avoid stating in the bill the words inserted and stricken out in the sections of the Revised Statutes, which it is proposed to amend.

Mr. SMOOT. That question never was discussed in the committee. I will state, however, that in talking with the Commissioner of Patents he said that he thought the bill should pass as it is now, but I myself do not see why it should not be amended as suggested by the Senator from Montana, so that it will simply say that the sections referred to "shall read as follows."

Mr. CARTER. I think that would be a very great improvement on the form of the bill.

Mr. BRANDEGEE. Mr. President, if the suggestion of the Senator from Montana shall prevail, it seems to me that the word "respectively" ought to be inserted, so that it will read that the sections which are named shall be amended "so as to read as follows, respectively," thereby making it apparent that the certain section that is to be amended is in order as enumerated by the numerals in the first section of the bill as amended.

Mr. SMOOT. Very well. Before the amendments suggested by the Senator from Montana [Mr. CARTER] and the Senator from Connecticut [Mr. BRANDEGEE] are proposed, however, there are some committee amendments which I ask may be considered.

The VICE-PRESIDENT. The amendments reported by the Committee on Patents will be stated.

The SECRETARY. On page 5, after line 9, it is proposed to strike out:

Second. Appeals which are now vested in the court of appeals of the District of Columbia from the decisions of the Commissioners of Patents will hereafter be taken from the decisions of the board of appeals.

The amendment was agreed to.

The next amendment of the Committee on Patents was, on page 5, after line 13, to insert:

Sec. 6. That section 4913 of the Revised Statutes be, and the same hereby is, amended by substituting for the word "his" before the word "decision," in line 9 thereof, the word "the," so that the section as amended shall read as follows:

"Sec. 4913. The court shall, before hearing such appeal, give notice to the Commissioner of the time and place of the hearing, and on receiving such notice the Commissioner shall give notice of such time and place in such manner as the court may prescribe, to all parties who appear to be interested therein. The party appealing shall lay before the court certified copies of all the original papers and evidence in the case, and the Commissioner shall furnish the court with the grounds of the decision, fully set forth in writing, touching all the points involved by the reasons of appeal. And at the request of any party interested, or of the court, the Commissioner and the examiners may be examined under oath, in explanation of the principles of the thing for which a patent is demanded."

Mr. SMOOT. In view of the suggestion made by the Senator from Montana [Mr. CARTER] and the changes it will necessitate, I move to amend that amendment by striking out:

Sec. 6. That section 4913 of the Revised Statutes be, and the same hereby is, amended by substituting for the word "his" before the word "decision," in line 9 thereof, the word "the," so that the section as amended shall read as follows:

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SMOOT. Now, in conformity with the suggestion of the Senator from Montana [Mr. CARTER] and the Senator from Connecticut [Mr. BRANDEGEE], I offer the amendment which I send to the desk.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. On page 1, section 1, line 3, after the word "That," it is proposed to strike out "section" and insert "sections;" in the same line, after the words "four hundred and eighty-two," to insert "4894, 4904, 4909, 4910, 4913, 4914, 4915, and 4934;" in line 4, after the word "same," to strike out "is" and insert "are;" in the same line, after the word "amended," to strike out:

By inserting in line 1, after the word "The," the words "Commissioner of Patents, the Assistant Commissioner of Patents, and the;" and in line 2, after the word "ability," by inserting the words "and they shall constitute a board of appeals, any three of whom, upon designation by the Commissioner, shall constitute a quorum;" and in line 7 by striking out the word "they" and inserting, after the word "Commissioner," the words "the board of appeals," and in the last line, after the word "them," by adding the words "In addition to the restrictions upon officers and employees of the Patent Office, provided in section 480 of the Revised Statutes, that they shall not acquire or take, directly or indirectly, any right or interest in any patent issued by the Office, the members of said board of appeals shall not be engaged in any other business, avocation, or employment, and may be removed from office at any time by the President for inefficiency, neglect of duty, or malfeasance in office."

On page 2, line 10, after the word "the," to strike out "section" and insert "sections;" in the same line, after the word "shall," to insert "respectively;" on page 3, after line 6, to strike out:

Sec. 2. That section 4894 of the Revised Statutes be, and the same hereby is, amended by substituting for the words "Commissioner of Patents," in the next to the last line thereof, the words "board of appeals," so that the section so amended will read as follows:

On the same page, after line 20, to strike out:

Sec. 3. That section 4904 of the Revised Statutes be, and the same hereby is, amended by striking out all after the word "examiner," in line 10, and substituting in lieu thereof the words "within such time, not less than twenty days, as the Commissioner shall prescribe, or from the decision of the board of appeals, as the case may be," so that the section so amended will read as follows:

On page 4, after line 14, to strike out:

Sec. 4. That section 4909 of the Revised Statutes be, and the same hereby is, amended by erasing therefrom the words "examiners in chief" and inserting in lieu thereof the word "appeals," so that the section so amended will read as follows:

At the top of page 5 to strike out:

Sec. 5. That section 4910 of the Revised Statutes be, and the same hereby is, amended by repealing the entire section and substituting therefor the following:

On page 6, after line 7, to strike out:

Sec. [6]7. That section 4914 of the Revised Statutes be, and the same hereby is, amended by substituting in line 4 the words "board of appeals," for the word "Commissioner," so that the section so amended will read as follows:

At the top of page 7 to strike out:

Sec. [7]8. That section 4915 of the Revised Statutes be, and the same hereby is, amended by canceling the words "either by the Commissioner of Patents or by the Supreme Court," in lines 2 and 3, and substituting

in lieu thereof the words "by the court of appeals;" and in line 4 canceling the word "Commissioner" and substituting the words "board of appeals," so that the section so amended will read as follows:

And at the top of page 8 to strike out:

Sec. [8] 9. That section 4934 of the Revised Statutes be, and the same hereby is, amended by canceling the following paragraphs:

"On an appeal for the first time from the primary examiners to the examiners in chief, \$10.

"On every appeal from the examiners in chief to the Commissioner, \$20."

And substituting in lieu thereof:

"On an appeal for the first time from the primary examiners to the board of appeals, \$15," so that the section so amended shall read as follows.

So as to make the bill read:

That sections 482, 4894, 4904, 4909, 4910, 4913, 4914, 4915, and 4934 of the Revised Statutes be, and the same are hereby, amended so that the sections shall, respectively, read as follows:

"Sec. 482. The Commissioner of Patents, the Assistant Commissioner of Patents, and the examiners in chief shall be persons of competent legal knowledge and scientific ability, and they shall constitute a board of appeals, any three of whom, upon designation by the Commissioner, shall constitute a quorum, whose duty it shall be, on the written petition of the appellant, to revise and determine upon the validity of the adverse decisions of examiners upon applications for patents, and for reissue of patents, and in interference cases; and when required by the Commissioner the board of appeals shall hear and report upon claims for extensions and perform such other like duties as he may assign them. In addition to the restrictions upon officers and employees of the Patent Office, provided in section 480 of the Revised Statutes, that they shall not acquire or take, directly or indirectly, any right or interest in any patent issued by the Office, the members of said board of appeals shall not be engaged in any other business, vocation, or employment, and may be removed from office at any time by the President for inefficiency, neglect of duty, or malfeasance in office."

"Sec. 4894. All applications for patents shall be completed and prepared for examination within one year after the filing of the application, and in default thereof, or upon failure of the applicant to prosecute the same within one year after any action therein, of which notice shall have been given to the applicant, they shall be regarded as abandoned by the parties thereto, unless it be shown to the satisfaction of the board of appeals that such delay was unavoidable."

"Sec. 4904. Whenever an application is made for a patent which, in the opinion of the Commissioner, would interfere with any pending application, or with any unexpired patent, he shall give notice thereof to the applicants, or applicant and patentee, as the case may be, and shall direct the primary examiner to proceed to determine the question of priority of invention. And the Commissioner may issue a patent to the party who is adjudged the prior inventor, unless the adverse party appeals from the decision of the primary examiner within such time, not less than twenty days, as the Commissioner shall prescribe, or from the decision of the board of appeals, as the case may be."

"Sec. 4909. Every applicant for a patent or for the reissue of a patent, any of the claims of which have been twice rejected, and every party to an interference, may appeal from the decision of the primary examiner or of the examiner in charge of interferences in such case, to the board of appeals, having once paid the fee for such appeal."

"Sec. 4910. If any such party is dissatisfied with the decision of the board of appeals he may appeal to the court of appeals of the District of Columbia, in the manner now provided by law for appeals to said court from the decisions of the Commissioner of Patents."

"Sec. 4913. The court shall, before hearing such appeal, give notice to the Commissioner of the time and place of the hearing, and on receiving such notice the Commissioner shall give notice of such time and place in such manner as the court may prescribe, to all parties who appear to be interested therein. The party appealing shall lay before the court certified copies of all the original papers and evidence in the case, and the Commissioner shall furnish the court with the grounds of the decision, fully set forth in writing, touching all the points involved by the reasons of appeal. And at the request of any party interested, or of the court, the Commissioner and the examiners may be examined under oath, in explanation of the principles of the thing for which a patent is demanded."

"Sec. 4914. The court, on petition, shall hear and determine such appeal, and revise the decision appealed from in a summary way, on the evidence produced before the board of appeals, at such early and convenient time as the court may appoint, and the revision shall be confined to the points set forth in the reasons of appeal. After hearing the case, the court shall return to the Commissioner a certificate of its proceedings and decision, which shall be entered of record in the Patent Office and shall govern the further proceedings in the case. But no opinion or decision of the court in any such case shall preclude any person interested from the right to contest the validity of such patent in any court wherein the same may be called in question."

"Sec. 4915. Whenever a patent on application is refused by the court of appeals of the District of Columbia upon appeal from the board of appeals, the applicant may have remedy by bill in equity, and the court having cognizance thereof, on notice to adverse parties and other due proceedings had, may adjudge that such applicant is entitled, according to law, to receive a patent for his invention, as specified in his claim, or for any part thereof, as the facts in the case may appear. And such adjudication, if it be in favor of the right of the applicant, shall authorize the Commissioner to issue such patent on the applicant filing in the Patent Office a copy of the adjudication, and otherwise complying with the requirements of law. In all cases where there is no opposing party a copy of the bill shall be served on the Commissioner; and all the expenses of the proceeding shall be paid by the applicant, whether the final decision is in his favor or not."

"Sec. 4934. The following shall be the rates for patent fees:

"On filing each original application for a patent, except in design cases, \$15.

"On issuing each original patent, except in design cases, \$20.

"In design cases: For three years and six months, \$10; for seven years, \$15; for fourteen years, \$30.

"On filing each caveat, \$10.

"On every application for the reissue of a patent, \$30.

"On filing each disclaimer, \$10.

"On every application for the extension of a patent, \$50.

"On the granting of every extension of a patent, \$50.

"On an appeal for the first time from the primary examiners to the board of appeals, \$15.

"For certified copies of patents and other papers, including certified printed copies, 10 cents per hundred words.

"For recording every assignment, agreement, power of attorney, or other paper of 300 words or under, \$1; of over 300 and under 1,000 words, \$2; of over 1,000 words, \$3.

"For copies of drawings, the reasonable cost of making them."

"Sec. 2. That this act shall take effect July 1, 1908, but shall not apply to any case in which the appeal to the examiners in chief was taken prior to that date. In such case the appeal shall be taken to, and determined by, the board of examiners in chief, the Commissioner of Patents, and the court of appeals of the District of Columbia, as the case may be, as provided by law prior to July 1, 1908.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. SMOOT. Mr. President, perhaps I would be asking too much at the present time if I should ask to have the other bills concerning the Patent Office now considered. They all relate to the same subject-matter as the bills just passed.

Mr. KEAN. There are four or more bills on the Calendar relating to the Patent Office.

Mr. SMOOT. There are four.

Mr. KEAN. If they are as well drawn as the last one, I think we had better let them go over.

Mr. SMOOT. They are not so long. They simply make provision for the changes in the law which have been made by the bill which has just passed, so as to make them all correspond.

Mr. CULLOM. Mr. President, I desire to move that the Senate proceed to the consideration of executive business pretty early this afternoon, and if the other bills are to be pressed for action I think I will make the motion now.

Mr. SMOOT. I withdraw my request for the consideration at this time of the bills to which I referred.

#### CONDEMNED CANNON FOR UNIVERSITY OF SOUTH DAKOTA.

Mr. GAMBLE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Illinois yield to the Senator from South Dakota?

Mr. CULLOM. If the Senator does not intend to take up much time, I will yield.

Mr. GAMBLE. I ask unanimous consent for the present consideration of the joint resolution (S. R. 9) authorizing the Secretary of War to furnish a condemned cannon to the board of regents of the University of South Dakota, at Vermillion, S. Dak., to be placed on the campus of said institution.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

#### EXECUTIVE SESSION.

Mr. CULLOM. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After forty minutes spent in executive session the doors were reopened, and (at 3 o'clock and 15 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, March 11, 1908, at 12 o'clock meridian.

#### NOMINATIONS.

*Executive nominations received by the Senate, March 10, 1908.*

##### UNITED STATES ATTORNEY.

John McCourt, of Oregon, to be United States attorney for the district of Oregon, vice William C. Bristol, whose nomination has been withdrawn and who is serving under a recess appointment.

##### PROMOTIONS IN THE ARMY.

###### Infantry Arm.

Lieut. Col. William Paulding, Eighteenth Infantry, to be colonel from March 8, 1908, vice Brush, Twenty-fourth Infantry, appointed brigadier-general.

Maj. William A. Nichols, First Infantry, to be lieutenant-colonel from March 8, 1908, vice Paulding, Eighteenth Infantry, promoted.

Capt. Tredwell W. Moore, Twenty-first Infantry, to be major from March 8, 1908, vice Nichols, First Infantry, promoted.

First Lieut. Reuben Smith, Eighteenth Infantry, to be captain from March 5, 1908, vice French, Sixteenth Infantry, retired from active service.

First Lieut. Chase Doster, Twenty-first Infantry, to be captain from March 8, 1908, vice Moore, Twenty-first Infantry, promoted.



## POSTMASTERS.

## CALIFORNIA.

Minnie E. Chalmers to be postmaster at Niles, Alameda County, Cal. Office became Presidential January 1, 1908.

## COLORADO.

James L. Moorhead to be postmaster at Boulder, Boulder County, Colo., in place of James L. Moorhead. Incumbent's commission expires April 12, 1908.

## FLORIDA.

Rix M. Robinson to be postmaster at Pensacola, Escambia County, Fla., in place of William H. Northrup. Incumbent's commission expired February 19, 1907.

## ILLINOIS.

William T. Thorp to be postmaster at Litchfield, Montgomery County, Ill., in place of William T. Thorp. Incumbent's commission expired February 22, 1908.

## MAINE.

Melville J. Allen to be postmaster at Cherryfield, Washington County, Me., in place of George M. Allen, deceased.  
John Harkness to be postmaster at Rockport, Knox County, Me. Office became Presidential October 1, 1907.

## MICHIGAN.

Fred Slocum to be postmaster at Caro, Tuscola County, Mich., in place of Fred Slocum. Incumbent's commission expired January 26, 1908.

## MINNESOTA.

Amy R. Walker to be postmaster at Alden, Freeborn County, Minn. Office became Presidential October 1, 1907.  
Fred E. Wheeler to be postmaster at Appleton, Swift County, Minn., in place of Fred E. Wheeler. Incumbent's commission expired December 14, 1907.

## NEW YORK.

William H. De Mott to be postmaster at Woodmere, Nassau County, N. Y. Office became Presidential July 1, 1907.  
Edward Reed to be postmaster at Glens Falls, Warren County, N. Y., in place of Edward Reed. Incumbent's commission expired December 15, 1906.

## PENNSYLVANIA.

Daniel M. Bennett to be postmaster at Bridgeville, Allegheny County, Pa., in place of Daniel M. Bennett. Incumbent's commission expires March 30, 1908.  
Joseph A. Buchanan to be postmaster at Ambler, Montgomery County, Pa., in place of Joseph A. Buchanan. Incumbent's commission expires March 30, 1908.

## UTAH.

Lorenzo Anderson to be postmaster at Brigham, Boxelder County, Utah, in place of Benjamin F. Boothe. Incumbent's commission expired March 3, 1907.

## VIRGINIA.

Albert L. Taylor to be postmaster at Parksley, Accomac County, Va. Office became Presidential October 1, 1907.  
James M. Updike to be postmaster at Buena Vista, Rockbridge County, Va., in place of Samuel W. Tardy. Incumbent's commission expired December 17, 1907.

## WITHDRAWAL.

*Executive nomination withdrawn from the Senate March 10, 1908.*

Christian Schuebel, of Oregon, to be United States attorney for the district of Oregon.

## CONFIRMATIONS.

*Executive nominations confirmed by the Senate March 10, 1908.*

## ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY.

William Heimké, of Kansas, to be envoy extraordinary and minister plenipotentiary of the United States to Guatemala.

## CONSULS-GENERAL.

Frank D. Hill, of Minnesota, to be consul-general of the United States of class 4 at Barcelona, Spain.  
James W. Ragsdale, of California, to be consul-general of the United States of class 4 at St. Petersburg, Russia.  
Edward T. Williams, of Ohio, to be consul-general of the United States of class 4 at Tientsin, China.

## CONSULS.

Paul Nash, of New York, now consul of class 6 at Vladivostok, to be consul of the United States of class 8 at Rheims, France.  
Pierre Paul Demers, of New Hampshire, to be consul of the United States of class 5 at Bahia, Brazil.

## MEMBER OF MISSISSIPPI RIVER COMMISSION.

Col. William H. Bixby, Corps of Engineers, United States Army, as member of the Mississippi River Commission provided for by the act of Congress approved June 28, 1879, entitled "An act to provide for the appointment of a 'Mississippi River Commission' for the improvement of said river from the Head of Passes near its mouth to its headwaters."

## PROMOTIONS IN THE ARMY.

## Infantry Arm.

Capt. Abraham P. Buffington, unassigned, to be major from January 27, 1908.  
Capt. Charles L. Beckurts, Sixteenth Infantry, to be major from February 13, 1908.  
First Lieut. Ralph McCoy, Twenty-seventh Infantry, to be captain from December 23, 1907.  
First Lieut. Grosvenor L. Townsend, Twenty-third Infantry, to be captain from December 28, 1907.  
First Lieut. Thomas L. Brewer, Twenty-first Infantry, to be captain from January 1, 1908.  
First Lieut. James K. Parsons, Twentieth Infantry, to be captain from January 27, 1908.  
First Lieut. George E. Ball, Twenty-first Infantry, to be captain from February 13, 1908.  
Second Lieut. Harry S. Adams, Twenty-third Infantry, to be first lieutenant from November 8, 1907.

## Cavalry Arm.

First Lieut. James Longstreet, Thirteenth Cavalry, to be captain from February 18, 1908.  
Second Lieut. Kenyon A. Joyce, Sixth Cavalry, to be first lieutenant from February 18, 1908.  
Second Lieut. Howard C. Tatum, Seventh Cavalry, to be first lieutenant from February 25, 1908.

## Quartermaster's Department.

Lieut. Col. George Ruhlen, deputy quartermaster-general, to be assistant quartermaster-general with the rank of colonel, from February 25, 1908.  
Maj. John T. French, jr., quartermaster, to be deputy quartermaster-general with the rank of lieutenant-colonel, from February 25, 1908.  
Capt. William E. Horton, quartermaster, to be quartermaster with the rank of major, from February 25, 1908.

## Corps of Engineers.

Lieut. Col. William T. Russell, Corps of Engineers, to be colonel from February 28, 1908.  
Maj. Lansing H. Beach, Corps of Engineers, to be lieutenant-colonel from February 28, 1908.  
Capt. James P. Jervy, Corps of Engineers, to be major from February 28, 1908.  
First Lieut. John H. Poole, Corps of Engineers, to be captain from February 28, 1908.  
Second Lieut. Robert S. Thomas, Corps of Engineers, to be first lieutenant from February 28, 1908.

## Ordnance Department.

Lieut. Col. Ira MacNutt, Ordnance Department, to be colonel from February 29, 1908.  
Maj. Ormond M. Lissak, Ordnance Department, to be lieutenant-colonel from February 29, 1908.  
Capt. David M. King, Ordnance Department, to be major from February 29, 1908.

## Field Artillery.

Lieut. Col. Edward T. Brown, First Field Artillery, to be colonel from February 25, 1908.  
Maj. David J. Rumbough, Third Field Artillery, to be lieutenant-colonel from February 25, 1908.  
Capt. William Lassiter, Sixth Field Artillery, to be major from February 25, 1908.

## POSTMASTERS.

## GEORGIA.

James B. Aaron to be postmaster at Lyons, Toombs County, Ga.  
Albert S. Anderson to be postmaster at Millen, Jenkins County, Ga.  
Charles B. Beacham to be postmaster at Lumber City, Telfair County, Ga.  
John W. English to be postmaster at Helena, in the county of Telfair and State of Georgia.  
Benjamin R. Leggett to be postmaster at Broxton, Coffee County, Ga.  
Cebrom D. Williams to be postmaster at Greenville, Meriwether County, Ga.

## ILLINOIS.

Hugh P. Faught to be postmaster at Tower Hill, Shelby County, Ill.  
Lizzie P. McKnight to be postmaster at Alexis, Warren County, Ill.

## IOWA.

A. G. Roberts to be postmaster at Bonaparte, Van Buren County, Iowa.

## KENTUCKY.

George M. Dickey to be postmaster at Cynthiana, Harrison County, Ky.  
George P. Thomas to be postmaster at Cadiz, Trigg County, Ky.

## MICHIGAN.

E. C. Corbett to be postmaster at Reading, Hillsdale County, Mich.  
W. E. Wilson to be postmaster at Grand Ledge, Eaton County, Mich.

## MISSOURI.

Alfred K. Bailey to be postmaster at Meadville, Linn County, Mo.  
Henry J. Bernhard to be postmaster at Palmyra, Marion County, Mo.  
Dwight L. Bishop to be postmaster at Garden City, Cass County, Mo.  
Stephen D. Bryan to be postmaster at Bismarck, St. Francois County, Mo.  
Samuel B. Craver to be postmaster at Madison, Monroe County, Mo.  
Edward W. Flentge to be postmaster at Cape Girardeau, Cape Girardeau County, Mo.  
Charles L. Gray to be postmaster at Cartersville, Jasper County, Mo.  
Frank A. Hardin to be postmaster at Cabool, Texas County, Mo.  
William G. Hughes to be postmaster at Bucklin, Linn County, Mo.  
Benjamin C. Klusmeyer to be postmaster at La Grange, Lewis County, Mo.  
William E. Osterwald to be postmaster at Festus, Jefferson County, Mo.  
John P. Rankin to be postmaster at Higbee, Randolph County, Mo.  
William F. Walkenhorst to be postmaster at Concordia, Lafayette County, Mo.  
Clarence M. Zeigle to be postmaster at Bunceton, Cooper County, Mo.

## MONTANA.

Lorn D. Bates to be postmaster at Columbia Falls, Flathead County, Mont.  
Louis V. Bogy to be postmaster at Chinook, Chouteau County, Mont.  
William R. Crockett to be postmaster at Red Lodge, Carbon County, Mont.

## NEBRASKA.

James S. Francis to be postmaster at Merna, Custer County, Nebr.

## NEW JERSEY.

William Mall to be postmaster at Egg Harbor City, Atlantic County, N. J.

## NEW YORK.

Fred F. Hawley to be postmaster at Lake George, Warren County, N. Y.

## OKLAHOMA.

Lyman F. Beard to be postmaster at Madill, in the county of Marshall and State of Oklahoma.

## PENNSYLVANIA.

Gilbert B. Brindle to be postmaster at Belleville, Mifflin County, Pa.  
William H. Longwell to be postmaster at Oil City, Venango County, Pa.  
Nathaniel B. Miller to be postmaster at Clarendon (late North Clarendon), Warren County, Pa.  
Dallas J. Smith to be postmaster at Parsons, Luzerne County, Pa.

## TENNESSEE.

Edwin C. Alexander to be postmaster at Elizabethton, Carter County, Tenn.

## UTAH.

J. A. Harrison to be postmaster at Helper, Carbon County, Utah.  
Dennis Wood to be postmaster at Nephi, Juab County, Utah.  
Beverly A. Davis to be postmaster at Rockymount, Franklin County, Va.

## WASHINGTON.

Edwin R. Bissell to be postmaster at Auburn, King County, Wash.  
Hugh Eldridge to be postmaster at Bellingham, Whatcom County, Wash.  
Henry A. Rathvon to be postmaster at Marysville, Snohomish County, Wash.

## RIGHTS AND DUTIES OF NEUTRAL POWERS.

The injunction of secrecy was removed March 10, 1908, from a convention signed by the delegates of the United States to the second international peace conference held at The Hague from June 15 to October 18, 1907, respecting the rights and duties of neutral powers and persons in case of war on land.

## NAVAL WAR AND THE GENEVA CONVENTION.

The injunction of secrecy was removed March 10, 1908, from a convention signed by the delegates of the United States to the second international peace conference held at The Hague from June 15 to October 18, 1907, for the adaptation to naval war of the principles of the Geneva convention.

## BOMBARDMENT BY NAVAL FORCES.

The injunction of secrecy was removed March 10, 1908, from a convention signed by the delegates of the United States to the second international peace conference held at The Hague from June 15 to October 18, 1907, respecting bombardment by naval forces in time of war.

## SUBMARINE CONTACT MINES.

The injunction of secrecy was removed March 10, 1908, from a convention signed by the delegates of the United States to the second international peace conference held at The Hague from June 15 to October 18, 1907, relative to the laying of automatic submarine contact mines.

## OPENING OF HOSTILITIES.

The injunction of secrecy was removed March 10, 1908, from a convention signed by the delegates of the United States to the second international peace conference held at The Hague from June 15 to October 18, 1907, relative to the opening of hostilities.

## LAWS AND CUSTOMS OF WAR ON LAND.

The injunction of secrecy was removed March 10, 1908, from a convention signed by the delegates of the United States to the second international peace conference held at The Hague from June 15 to October 18, 1907, respecting the laws and customs of war on land.

## HOUSE OF REPRESENTATIVES.

TUESDAY, *March 10, 1908.*

The House met at 12 o'clock m.

Prayer by the Chaplain, Rev. HENRY N. COUDEN, D. D.

The Journal of yesterday's proceedings was read and approved.

## PEARL HARBOR, HAWAII.

Mr. BATES. Mr. Speaker, I ask a reprint of the bill (H. R. 18120) to establish a naval station at Pearl Harbor, Hawaii, and accompanying report No. 1132.

There was no objection, and it was so ordered.

## CHANGE OF REFERENCE.

By unanimous consent, reference of the bill (S. 558) to authorize a patent to be issued to Annie Ward, formerly Annie Brown, for certain lands therein described, was changed from the Committee on Private Land Claims to the Committee on the Public Lands.

## MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. CROCKETT, its reading clerk, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 4645. An act to authorize the Minnesota and Manitoba Railroad Company to convey certain lands granted to it by the act of Congress approved April 17, 1900.

The message also announced that the Senate had passed the



following resolution, in which the concurrence of the House of Representatives was requested:

Senate concurrent resolution 43.

*Resolved by the Senate (the House of Representatives concurring).* That the Secretary of War be, and he is hereby, authorized and directed to cause an examination and survey to be made of Portsmouth Harbor, in the State of New Hampshire, with a view to obtaining slack-water navigation therein by the construction of a dam, and to submit estimates for the same.

The message also announced that the Senate had passed the following resolutions:

*Resolved.* That the Senate has heard with profound sorrow the announcement of the death of the Hon. ADOLPH MEYER, late a Representative from the State of Louisiana.

*Resolved.* That the Secretary communicate these resolutions to the House of Representatives, and transmit a copy thereof to the family of the deceased.

*Resolved.* That as a further mark of respect to the memory of the deceased the Senate do now adjourn.

#### SENATE BILLS AND RESOLUTIONS REFERRED.

Under clause 2, Rule XXIV, Senate bills and resolutions were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 2736. An act to provide for the purchase of a site and the erection of a public building in the city of Lagrange, Ga.—to the Committee on Public Buildings and Grounds.

S. 4030. An act to fix the pay of the Army—to the Committee on Military Affairs.

S. 2732. An act to provide for the purchase of a site and the erection of a public building in the city of Cordele, Ga.—to the Committee on Public Buildings and Grounds.

S. 4645. An act to authorize the Minnesota and Manitoba Railroad Company to convey certain lands granted to it by the act of Congress approved April 17, 1900—to the Committee on the Public Lands.

S. R. 28. Joint resolution authorizing and directing the Secretary of War to donate certain cannon, with their accessories, to the State of New Hampshire—to the Committee on Military Affairs.

Senate concurrent resolution 43.

*Resolved by the Senate (the House of Representatives concurring).* That the Secretary of War be, and he is hereby, authorized and directed to cause an examination and survey to be made of Portsmouth Harbor, in the State of New Hampshire, with a view to obtaining slack-water navigation therein by the construction of a dam, and to submit estimates for the same—

to the Committee on Rivers and Harbors.

#### ENROLLED BILL SIGNED.

Mr. WILSON of Illinois, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 2429. An act granting pensions and increase of pensions to certain soldiers and sailors of the war with Spain and other wars, and to the widows of such soldiers and sailors.

#### POST-OFFICE APPROPRIATION BILL.

Mr. OVERSTREET. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 18347, the post-office appropriation bill.

The motion was agreed to.

The House accordingly resolved itself into Committee of the Whole House on the state of the Union, Mr. OLMSTED in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 18347, the post-office appropriation bill.

Mr. OVERSTREET. Mr. Chairman, I yield one hour to the gentleman from Michigan [Mr. HAMILTON]. [Loud applause on the Republican side.]

Mr. HAMILTON of Michigan. As bearing upon the President's last message, I venture with some diffidence to submit some observations upon the reasons, principles, and limitations involved in the governmental regulation of persons in their occupations.

Sir, the last quarter of the eighteenth century was an age not only of political but of industrial revolution, in which France broke down the walls of feudalism, the thirteen colonies became the United States, and Watt's discovery of steam revolutionized the industrial world and introduced the new rule of mechanical force.

Since that time, from Watt's discovery of steam down to the latest discovery in electricity, there has been a continuous evolution of mechanical achievement, as a result of which small trades have given place to gigantic factories, located at commercial centers, connected by railroads, steamboats, telegraphs, and telephones, and the single brain of James Watt has become "the biggest wage fund that has risen in the world." [Applause.]

The world has moved on from sails to steam and from steam to electricity; from the stage coach to the transcontinental railroad; from the sickle to the harvester; from spinning wheels to power looms; from tallow dips to electric lights; from carrier pigeons to wireless telegraphy; from the anvil and the forge to the chimney retort and crucible of the most progressive age since time began. [Applause.]

The ocean cable and land telegraph systems of the world, supplemented by the telephone, have strung cities, towns, farms, factories, and mines like ganglia upon an international nerve system, and in some inscrutable way ethereal energy has lately been translated into human speech by wireless telegraphy.

A man may travel around the world now in less time than it would have taken Herodotus to travel the length of the Mediterranean, and I can send a message from this Capitol around the world within an hour, across lands redeemed from barbarism, through cities equipped with every luxury and convenience, and yet the ideal land of human happiness is still an undiscovered country.

#### MACHINERY AND CORPORATIONS.

Sir, upon the dial plate of nations the centuries are the hours, and in the century hour of our national existence, since Robert Fulton launched the *Clermont* on the Hudson, we have increased from a population of about seven millions to a population of eighty-seven millions.

Of these eighty-seven millions, twenty-nine millions are engaged in so-called "gainful occupations," and of these twenty-nine millions engaged in so-called "gainful occupations" ten millions are engaged in agriculture, seven millions in manufacturing and mechanical pursuits, five millions in trade and transportation, and seven millions in professional and domestic service, and all are interdependent.

The prosperity or adversity of one of these divisions of people engaged in "gainful occupations" involves the prosperity not only of all the other divisions, but of all the people.

Sir, things once fundamental, elementary, or entirely nonexistent have become complex, powerful, dominant.

When Blackstone wrote his Commentaries and defined corporations, some ten years before the American Revolution, he could have had no more idea of the possibilities of corporate evolution than Watt could have had of the possibilities of the steam that lifted the lid of the teakettle, or than Franklin could have had of the possibilities of the electricity that flashed down his kite string.

The United States, the States within the United States, and the municipalities and corporations within the States and the United States have become one tremendous aggregation of independent human activity, whose powers and possibilities no statistician can possibly estimate.

Partnerships have become limited partnerships, corporations, and combinations of corporations, engaged in all kinds of business and running all kinds of factories.

And these factories have developed an aggregate of 15,000,000 horsepower, equivalent to the power of 90,000,000 men; and these 90,000,000 iron men, who do not appear in any census list, but have to be reckoned with in our political economy, managed, supervised, and vitalized by 7,000,000 men of flesh and blood, have forged, shaped, and spun the dreams of inventors into shapes fit for use and luxury.

They have built their own workshops, mined their own coal, and generated their own electricity.

They have framed tall buildings with tops in the clouds, spun spider webs of steel across rivers and gorges, and forged and hammered into shape 235,000 miles of railroad running everywhere, over which 47,000 locomotives are hauling 2,000,000 cars, loaded with the products of the industry of 87,000,000 people, the value of whose products is increased or diminished accordingly as men are employed or unemployed or partly employed. [Applause.]

This factory system, whose fires were lighted in the world a little more than a hundred years ago, and this transportation system, whose wheels were set in motion some fourscore years ago, have reorganized society, reshaped civilization, and now control political policies.

#### CORPORATE EVOLUTION IN AMERICA.

Here in America down to the close of our civil war we were largely an agricultural nation, but since that time nearly every kind of property, except land, has passed under the control of corporations.

These corporations, organized under the laws of various States, have grown with the nation's growth and the increase of commerce, until they have outgrown the States of their organization, and have become national and international in their scope, and the question whether they shall control the Government or the Government shall control them and itself has lately become acute. [Applause.]

This condition has come about not so much by design, as by the swift evolution of forces which have swept men on either with or without their volition until the time has come when the "rights of persons" and the "rights of things" must be re-stated, and the rights of the States and the rights of the nation in relation to commerce must be defined.

A man has a right to choose his business and to have it protected under the law, so long as he follows it lawfully, whether it be an incorporated business or otherwise, and "a calling, when chosen, is a man's property and right."

The difficulty is, not that men have availed themselves of statutory invitations to organize themselves into corporations, but that some corporations have become monopolies whose operations are inconsistent with the liberty of the rest of us.

It was never intended that the rights of some should be the wrongs of others.

"The object and end of all government is to promote the happiness and prosperity of the community by which it is established," not of some, but of all.

Therefore when the people, through their legislatures by statutes framed for that purpose, confer upon those of their number desiring to avail themselves thereof the right to be incorporated, they do so not for the purpose of making them the beneficiaries of special privileges and endowing them with power to dictate terms to the people who made them, but that the people themselves may be benefited in lower prices, larger output, and cheaper means of transportation. [Applause.]

Corporations are as necessary to modern business enterprises as are steam and electricity, and the law sanctions and upholds their formation, but it was never intended that corporations should combine among themselves to fix the price of commodities and the price of the transportation of commodities for the rest of mankind, and the controversy now going on between "equal rights" and "special privileges" is broader and deeper than any mere controversy between the President and any coterie of financiers.

It would not stop if the President should stop. It is older than this Administration—older than the nation itself.

It is founded upon the primeval human instinct of fair play, to obtain which in a governmental way this nation was founded and "consecrated to liberty and dedicated to the proposition that all men are created equal." [Applause.]

#### PUBLIC EMPLOYMENTS.

In the discussion of the question of governmental regulation of corporations some gentlemen talk as if some great new legal principle had been revealed to them personally by special dispensation as the specially ordained "friends of the people," and they have actually run for office on that theory; but most of the legal principles involved have come down to us as part of our jurisprudence established by the judicial interpretation of men who were expounding the law and not running for office.

Around these fundamental principles the changing facts of changing time adjust themselves.

At the outset of any investigation of the legal principles involved in the regulation of natural and artificial persons in their occupations, a fundamental distinction must be observed between public and private occupations.

When private property becomes "affected with a public interest," it ceases to be private property; and private property becomes "affected with a public interest," "when it is used in a manner to make it of public consequence and affect the community at large."

When a man "devotes his property to a use in which the public has an interest, he, in effect, grants to the public an interest in that use and must submit to and be controlled by the public for the common good to the extent of the interest he has thus created." (*Munn v. People of Illinois*, 94 U. S., 113.)

Now, sir, this has been the law "so long that the memory of man runneth not to the contrary." Is there any reason why when the President invokes this principle and supplements it with another principle which is older than the Ten Commandments, viz, that it is not right to do wrong, he should be charged with being "the man on the barrel head haranguing the mob?"

Sir, if he is the man on the barrel head he is the most valuable man on the barrel head this country has had in its history and he has glorified the barrel head. [Applause.]

To borrow an illustration, first used by Lord Hale some two hundred and fifty years ago, and quoted in the *Munn* case, a man may have a ferry for his private use and run it as he pleases, but when he opens it to public use and charges public toll it becomes a thing of public interest, subject to public regulation, and he must keep his boat in order, run it regularly, and charge a reasonable toll.

And when the ferryman dedicates his lands at either end of his ferry to public use, as a public way they must be used "upon such terms as and conditions as the body politic may

from time to time impose; and this because the common good requires that all public ways shall be under the control of the public authorities."

This principle has been extended along all the thousands of miles of public transportation which have been created since that time.

By this principle, from very early times, toll roads, toll bridges, wharfingers, innkeepers, and common carriers have been controlled, and in modern times it has been extended over railroads, telegraphs, telephones, pipe lines, gas, water, electric, and other public works; and the rule now is that "once the occupation is classed a public calling or is engaged in serving the public by reason of some power or franchise granted to it by the State, the legislature has the right to fix the price that may be charged." (Hendrick on "The power to regulate corporations and commerce," 325, citing *People v. Budd*, 117 N. Y., 1; affirmed 143 U. S., 517.)

The origin of this legislative power was said by Mr. Justice Taney, in 1847 in the license cases (5 Howard, 583) to be "inherent in every sovereignty—the power to govern men and things," and though subject to the limitation that it should not be used despotically and unreasonably, "at the whim or caprice of the legislative body," "within its legitimate domain, the power is original, absolute, and indefeasible."

From this fundamental sovereign power is derived the power of the Federal Government, expressed in the Constitution, to regulate commerce "among the several States," and the power of the several States to regulate commerce beginning and ending within themselves.

Sir, the commerce clauses of the Federal Constitution were adopted in the presence of a commercial conflict among the thirteen States which threatened the dissolution of their confederation, in which each separate State was levying duties to suit itself, while the Federal Treasury was bankrupt, and foreign nations, when asked for loans, were inquiring whether we were thirteen governments or one.

Then there was not a railroad, steamboat, telegraph, telephone, gas light, electric light, corporate combination, or labor union in the world.

Our center of population was 23 miles east of Baltimore. Ohio was the far west; the Mississippi River was a "mental horizon;" two stages and twelve horses were sufficient to carry all goods and passengers between New York and Boston, and it took six days to make the journey.

#### PRIVATE EMPLOYMENTS.

But while the body politic has power at common law to regulate occupations "affected with a public interest," the power to regulate occupations not "affected with a public interest" rests upon an entirely different principle, and is confined to the limitation of "contracts in restraint of trade," the prohibition of "contracts in restriction of competition," and to the exercise of the police power.

At common law contracts in partial restraint of trade, limited as to time and territory and founded upon a reasonable consideration, were valid—that is, contracts of sale whereby the vendor of a business bound himself for a valuable consideration not to go into business again within a certain time, within a certain area, were valid—but "no man could contract not to use his trade at all," and the rule, as stated by Mr. Justice Story, was that "an agreement in general or total restraint of trade is void, although it may be founded upon a legal and valuable consideration."

The reasons for the rule were that the public ought not to be deprived of the advantages of commerce and the services of men in useful occupations or to be subjected to the evils of monopoly by such contracts.

In practice, however, this rule did not accomplish its purposes—that is, it did not prevent monopoly and it did not prevent the public from being deprived of the advantages of commerce and the services of men engaged in useful occupations, because contracts which were technically in conformity with the law were constantly made in evasion of its spirit.

Neither was the rule sufficient to prevent monopolies and to prevent the public from being deprived of the services of men in useful occupations, even when strictly observed. For illustration, suppose there are ten trade competitors in a given territory and one trade competitor, for a valuable consideration, enters into a contract with another trade competitor to go out of business, absolutely without limit as to time and territory, such a contract would be void as in restraint of trade, although nine competitors would remain.

But if nine trade competitors should separately, in good faith and without collusion, agree with the tenth to go out of business with formal limitations as to the time and place, these nine contracts of sale would be lawful, although trade would be restricted nine times as much as in the first instance.



Therefore the courts began to hold contracts "in restriction of competition" void, even though they might not be void as "in restraint of trade."

This doctrine against "restriction of competition" is recent, the earlier tendency being to condemn unrestricted competition. For illustration, in *Kellogg v. Larkin* (3 Pinney, 123, 56 Am. Dec., 164), decided in 1851, a contract to stifle competition in the wheat market was held good, the court saying:

I admit that it does not tend to stifle the competition of these obligors, and I assert that the right to stifle competition by contract, so far as it is injurious to the parties contracting, has not before been denied or questioned for two hundred years, unless two cases (4 Denio, 349, and 5 Denio, 434) are to be considered as denying the right.

However, "American jurisprudence has firmly settled the doctrine that all contracts which have a palpable tendency to stifle competition, either in the market value of commodities or the carriage or transportation of such commodities, are contrary to public policy, and therefore incapable of conferring upon the parties thereto any rights which a court of justice can recognize or enforce."

(*Texas, etc., Ry. Co. v. Southern Pacific Ry. Co.*, 41 La. Ann., 970; 17 Am. State Reps., 445.)

How far American jurisprudence has reasoned itself away from the old doctrine, allowing the right of competitors to stifle competition among themselves by contract, is shown in the case of *Richards v. Buhl* (77 Mich., 622), which involved the validity of a combination known as the Diamond Match Company, in which the court said:

Monopoly in trade or in any kind of business in this country is odious to our form of government. \* \* \* Its tendency is destructive of free institutions and repugnant to the instincts of a free people, and contrary to the whole scope and spirit of the Federal Constitution, and is not allowed to exist under express provision in several of our State constitutions. Indeed, it is doubtful if free government can long exist in a country where such enormous amounts of money are allowed to be accumulated in the vaults of corporations, to be used at discretion in controlling the property and business of the country against the interest of the public and that of the people for the personal gain and aggrandizement of a few individuals. It is always destructive of individual rights and of that free competition which is the life of business, and it revives and perpetuates one of the great evils which it was the object of the framers of our form of government to eradicate and prevent.

It is alike destructive to both individual enterprise and individual prosperity, whether conferred upon corporations or individuals, and therefore public policy is or ought to be, as well as public sentiment, against it. All combinations among persons or corporations for the purpose of raising or controlling the prices of merchandise or any of the necessities of life are monopolies and intolerable and ought to receive the condemnation of all courts.

#### DEFENSES.

In answer to the charge of unlawful combination it is no defense to say that the public has not been injured. "It may be true that it," the Standard Oil Company, "has improved the quality and cheapened the cost of petroleum and its products to the consumer. But such is not one of the usual or general results of a monopoly; and it is the policy of the law to regard not what may, but what usually happens. Experience shows that it is not wise to trust human cupidity where it has the opportunity to aggrandize itself at the expense of others. The claim of having cheapened the price to the consumer is the usual pretext on which monopolies of this kind are defended." (*State v. Standard Oil Co.*, 49 Ohio State, 137.)

Nor that a monopoly has resulted in lower prices. "That policy may have been necessary to crush competition," and it rests in the discretion of the "company to raise the price to an exorbitant degree." (*Richards v. Buhl*, 77 Mich., 632.)

Nor that a complete monopoly has not been established. "It is sufficient if it" (the combination) "really tends to that end, and to deprive the public of the advantages which flow from free competition." (*U. S. v. Knight*, 156 U. S., 1; *Addystone Pipe, etc., Co. v. U. S.*, 175 U. S., 211.)

Nor is it now apparently necessary that the commodity handled shall be "a necessity of life," although this has been a matter of some conflict. But while "the weight of authority and the growing tendency of the courts is to disregard the question as to whether the article is a necessity of life or not" (74 Am. State Reports, 270), even if it should be held that a combination "in restriction of competition" must deal in "a necessity of life" in order to bring it within the legal definition of an unlawful combination, the courts have covered enough commodities into the catalogue of necessities to make it difficult for any combination to escape the force of precedent in this respect.

Among these commodities are coal, gas, matches, lumber, cotton bagging, butter, grain, salt, alcohol, beer, candles, milk, preserves, cloth, grain bags, harrows, brick; gas, sewer, and other pipe; rules, powder, pressed metal parts, gelatin capsules, wooden ware, sugar, oil, meat, news, wire cloth, envelopes, fire-alarm telegraph instruments, bluestone, cigarettes, insurance, carriage, and labor.

#### COMMON-LAW RESTRICTIONS OF COMBINATIONS.

Not only are contracts in restriction of competition void at common law, but the common law is vigilant to prevent combinations.

For illustration, at common law (1) a corporation can not enter into a partnership (*Hendrick*, citing 10 Gray, 582); (2) corporations can not enter into partnership with other corporations through delegation of powers to committees of the respective corporations (*Hendrick*, citing 86 Tenn., 598); (3) corporations can not enter into agreements to pay into a pool a certain sum of each item of business (*Hendrick*, citing 47 Ohio State, 320); (4) corporations can not become members of an unincorporated association for the restraint of trade (*Hendrick*, citing 161 Pa. State, 473); (5) corporations can not transfer their stock to a holding board in exchange for certificates in proportion to the amount of their stock (*Hendrick*, citing *People v. North River Sugar Refining Company*, 121 N. Y., 582, and *State v. Standard Oil Co.*, 49 Ohio State, 137); (6) a corporation can not in the absence of express statutory authority become an incorporator by subscribing for shares in a new corporation, either directly or by their agents (*Central Railroad Co. v. Pa. R. R. Co.*, 31 N. J. Eq., 475); (7) corporations can not own shares in other corporations for the purpose of controlling them or for speculative purposes (*Morawetz Priv. Corp.*, sec. 432); (8) at common law stockholders could not vote by proxy (*Hendrick*, citing 14 N. J. Law, 222); (9) an agreement by stockholders to surrender their voting power to trustees is illegal (*Hendrick*, citing 6 Pa. Court Reps., 193); and (10) the conveyance of the stock of several corporations to a holding corporation, the constituent companies remaining in existence, is illegal and will be set aside (*Hendrick*, citing *Northern Securities Co. v. U. S.*, 193 U. S., 197). See *Hendricks on The Power to Regulate Corporations and Commerce*, 292-296.

#### THE ORGANIZATION OF TRUSTS.

Notwithstanding this, however, and notwithstanding Federal and State statutes against contracts and combinations in restraint of trade, within recent times there has been an irresistible movement toward great combinations, representing enormous capitalization, which has led some political economists to assert that competition is dead and the means of its resurrection unknown to science.

Down to May 31, 1900, Census Bulletin No. 122, which considered only combinations consisting of "a number of formerly independent mills which had been brought together into one company under a charter obtained for that purpose," enumerated 183 corporations with 2,029 active and 174 idle plants, having an actual invested capital of a billion and a half dollars, and an authorized capitalization of over three and a half billion dollars, then employing an average of 433,777 people and paying out in wages and salaries \$227,188,343 a year.

Of these corporations, only 63 had been organized before 1897, and more than half of them had been organized within the eighteen months before June 30, 1900.

Within the first six months of 1901 combinations capitalized at more than two billion dollars were organized, and the movement swept on until it reached a climax about three years ago, carrying with it nearly every kind of industrial, commercial, and transportation business.

In the final report of the Census of Manufactures for 1905 it is said:

One of the most effective methods of forming a large manufacturing enterprise is to consolidate existing independent establishments. Such a method eliminates all of the uncertainties attending the inauguration of new establishments. The business relations are formed, the sale of products, and consequently the profits, are in a measure assured, and the uncertainty attending the investment reduced to a minimum. Either independent plants may be purchased or erected to meet the increase of business or a new company may be formed for the sole purpose of bringing together under one management formerly independent mills.

The word "trust" was originally used to define an arrangement among stockholders of various corporations whereby shares of stock were deposited in the hands of trustees, who issued trust certificates in lieu of stock certificates and apportioned dividends and losses thereon.

But trusts so organized were driven from their trust formation by statutes and court decisions and forced to take refuge under the laws of various States like New Jersey, Delaware, and West Virginia, which passed laws especially framed to facilitate their formation, and the word "trust" is now "used to designate any combination of producers for the purpose of controlling prices and suppressing competition." (2 Cook on Corporations, sec. 503a.)

Corporations organized under the laws of one State may have their offices and factories where they please and trade all over

the country, subject to the regulation of the various States, which are in turn restrained by the fourteenth amendment.

Their formation, regulation, and control, so far as the States are concerned, is miscellaneous and depends upon the various views of various legislatures, and to some extent upon the tendency of some gentlemen temporarily intrusted with legislative power to exploit themselves for political purposes.

The old idea of a market was a place where producers and consumers met and discovered their mutual needs, but the modern corporate combination, each in its separate field, itself becomes the market of supply and demand. It buys or produces its raw material in shiploads, train loads, and whole crops, and converts it into finished product with the regularity and precision of a law of nature.

It conducts its business with minute and scientific precision and economy, and seeks to make each unit of production the perfect illustration of the highest skill and best machinery.

Its smaller neighbor copies its price list and lives by sufferance, subject to the power of the trust to absorb it or remove it by reducing prices and restoring them after the funeral.

As illustrating the gigantic strength of these aggregations, it is said that the United States Steel Corporation manufactures more than half of the steel output of the country, employs an average of 158,000 people, and pays out in wages more than \$100,000,000 a year.

GENTLEMEN WHO CAN NOT BE EXPECTED TO BE HOSTILE TO THEIR MUTUAL INTERESTS.

Sir, it is said that there are ten men living in the United States who could, if they chose to cooperate, control all the railroads, telegraphs, and telephones in the country, the steamship traffic on the Great Lakes, and at the same time direct the policy of the coal, copper, steel, sugar, and oil industries.

In transportation it is said that six great systems control the railroad mileage of the country, and that these six systems are practically controlled by about six men.

These statements are probably exaggerated, but a discount of 50 per cent leaves them strong enough.

Business in this way becomes reduced to a few large units, run by a few large units, who can easily get together and confer.

There is a law in the physical world that bodies attract one another in proportion to their mass.

In the commercial world, coal, oil, copper, sugar, steel, and railroads have affinity for one another, and all of them have more or less morganatic relations with other industries. [Laughter and applause.]

The same names appear in the directorates of many corporations, and if a man happens to be a director of several different corporations, it is asking too much of human nature to expect him to be hostile to himself in his several capacities.

In this way little groups of gentleman who can not be expected to be hostile to themselves in their several capacities, sitting around green tables, easily tend to become commercial oligarchies, who benevolently control the prices of commodities and the price of carrying commodities of a large number of mere people. [Laughter and applause.]

Through the paper shares of corporate assets, which become a species of money based on assets and on faith, and through the distribution of their funds in banks and otherwise, these gentlemen who can not be expected to be hostile to themselves in their several capacities further extend their influence through the commercial world and turn the wheel of fortune forward or backward for millions of people.

These shares of stock become not only the property of prudent investors seeking a source of steady income, but they become counters in the financial game of chance, where wind-blown fortunes are made and demolished in a single day, as lately happened when shares of stock, floating in the rosy atmosphere of public confidence above a solid groundwork of phenomenal prosperity, were carried down with the sudden ebb of public confidence.

#### RECENT DEVELOPMENT OF MANUFACTURING AND TRANSPORTATION.

Sir, this problem of corporate combinations has come upon us quickly. It is not our problem alone; it is the problem of modern, civilized society. It is not local, but international.

Trusts exist alike in empires and republics under free trade and protective policies, and the more advanced nations are commercially the more their industries have combined.

Not only have the industries of Europe organized themselves into corporate combinations, but corporate combinations have organized themselves into international trade combinations for the purpose of apportioning output and controlling prices.

Within a generation the system of huge investments supported by small profits on many sales has spread throughout the industrial world.

Manufacturers have become trusts, and mercantile establishments have become department stores.

The relations between labor and capital have become less and less personal, although industrial leadership has been constantly recruited from the ranks of labor, and the words "master" and "servant," although still preserved as legal terms, have become misnomers of a relation more accurately described by the words "corporate combination" and "labor union."

Here in America more than half of our 235,000 miles of railroad have been laid within the last twenty-five years.

For some time railroads were local. Several bills of lading were frequently required for a shipment of freight within the limits of a single State, and in 1866, to encourage interstate extensions, Congress passed a law among other things providing:

That every railroad in the United States whose road is operated by steam be, and is hereby, authorized \* \* \* to connect with roads of other States so as to form continuous lines.

Freight cars of 10 tons capacity were then coming east full and going back empty over 50-pound iron rails, wooden bridges, sharp curves, and steep grades.

Now freight cars of 50 tons capacity are going both ways full over 100-pound steel rails, steel bridges, straightened curves, and lowered grades, and connect with ships capable of carrying train loads.

#### REGULATION.

For a long time the power of Congress to regulate commerce among the States and the power of the States to regulate commerce beginning and ending within themselves was little used, because commerce needed encouragement rather than regulation.

Besides, the people were busy with their own affairs; and the country is big, and it took some time for business interests to get big enough to crowd one another and the lesser man between.

When the people finally became nationally conscious, they found that we had passed from individualism to centralization; that railroads had, by the very momentum of their own development, acquired the power of life and death over industrial enterprises by their power to discriminate for or against persons and places; that corporate combinations had taken possession of the industrial field; that colossal carrying corporations and colossal industrial corporations were combining among themselves to control prices; that forty-five sovereign States—now forty-six—were creating industrial corporations doing interstate business without much inclination or ability to control them; and they began slowly, unsystematically, and sporadically to try to make head against a condition of which they themselves were a part.

The Federal Government began to repair its armory of disused statutes, to make new ones to reinforce and extend the common law, and to move in the direction of a settled policy.

#### EPITOME OF HEPBURN LAW.

In 1887 Congress passed "An act to regulate commerce," known as the "interstate-commerce act," which it amended from time to time, and finally overhauled completely in 1906. The following is an epitome of its provisions:

##### Section 1:

a. Defines commerce to which act is applicable, and includes pipe lines, sleeping-car companies, and express companies as common carriers.

b. Defines railroads and includes within the term, bridges, ferries, tracks, depots, yards, grounds, spurs, switches, and terminal facilities.

c. Defines transportation and includes within the term "all instrumentalities and facilities of shipment or carriage," including delivery, elevation, transfer, ventilation, refrigeration, storage, and handling.

d. Requires carriers to furnish transportation on reasonable request and establish through routes and joint rates.

e. Requires just and reasonable and prohibits unjust and unreasonable rates.

f. Prohibits giving of free passes, except in certain specified cases, and fixes penalty for violation.

g. Prohibits, after May 1, 1908, transportation by carrier of any article, except of timber, produced by it, except such as may be necessary in the conduct of its business as a common carrier.

h. Requires carriers to furnish cars and make reasonable switch connections with branch and private tracks, and gives Commission power to compel compliance.

##### Section 2:

a. Requires carriers to publish and to file with Commission schedules of their rates and of joint rates.

b. Prohibits change of published rates, except on thirty days' notice, unless permitted by Commission.



c. Requires each party to joint tariff, other than carrier filing same, to file evidence of concurrence therein.

d. Requires carriers to file all joint traffic agreements.

e. Authorizes Commission to prescribe form of published schedules.

f. Prohibits carrier from engaging in interstate commerce until schedule of rates filed and published.

g. Prohibits departure from schedule of rates filed and published.

h. Prohibits rebates and special privileges and prescribes penalties.

i. Gives preference to military traffic in time of war.

j. Makes offense committed by officer or agent of corporation carrier an offense by corporation and prescribes penalties.

k. Prescribes penalty for failure to publish and observe rates.

l. Makes it misdemeanor to "offer, grant, or give or to solicit, accept, or receive any rebate, concession, or discrimination" outside of filed and published rates, prescribes penalty and fixes venue.

m. Makes violation by agent misdemeanor and also makes such violation misdemeanor of carrier.

n. Provides that in prosecutions of carrier filed and published rate shall be "conclusively deemed to be legal rate" as against such carrier.

o. Prohibits shippers from accepting money or other valuable consideration as a rebate or offset, and prescribes forfeiture of three times the value of consideration received, in addition to penalty hereinbefore provided.

#### Section 3:

a. Requires Commission to make and enter of record reports of investigations, decisions, awards, and of findings of fact in case damages awarded, and to furnish copies thereof to parties.

b. Makes authorized publications of reports and decisions of Commission competent evidence in United States and State courts.

#### Section 4:

a. Provides that when Commission, upon complaint, after hearing, is of opinion that rates, regulations, or practices of carrier are "unjust, unreasonable, unjustly discriminatory, unduly preferential, or prejudicial," it shall determine and prescribe "just, fair, and reasonable" rates, as maximum rates to be charged, prescribe regulations and practices, and make order directing carrier to cease violation, and such carrier shall not thereafter publish, demand, or collect any rate in excess of such maximum rate.

b. Provides that orders of Commission shall be effective within not less than thirty days of issue and shall continue in force for not more than two years, unless suspended or modified by Commission, or set aside by court of competent jurisdiction.

c. Commission may fix proportion of joint rates to be borne by joint carriers, where carriers can not agree.

d. Commission may, on complaint and after hearing, fix through routes and maximum joint rates, by land or water, where carriers refuse to fix such routes and rates.

e. Commission may fix maximum reasonable allowance for service or instrumentality furnished by shipper in transportation.

#### Section 5:

a. Provides that Commission shall fix damages to complainant for violation of act and issue order directing payment by carrier.

b. Provides legal procedure for recovery of damages if payment refused.

c. Provides that where single order of Commission awarding damages is in favor of several parties complainant as against several carriers, parties complainant may be joined as plaintiffs and carriers joined as defendants, fixes venue, provides for service of process and for judgment.

d. Provides for service by registered mail of orders of Commission, makes registry receipt prima facie evidence of service, provides for modifications of orders, and requires compliance therewith.

e. Imposes forfeiture of \$5,000 for violation of order of Commission, making each distinct violation a separate offense, and, in case of continuing violation, each day shall be a separate offense.

f. Provides procedure for recovery of forfeiture.

g. Provides procedure for enforcement of orders of Commission by writ of injunction or other proper process, mandatory or otherwise, upon petition to circuit court, and for appeal by either party.

h. Fixes venue of suits to enjoin, set aside, annul, or suspend orders of Commission; provides for expediting of suits under act of February 11, 1903, and for appeals.

i. Provides that schedules of rates, contracts, agreements, or

arrangements between carriers, filed with Commission, shall be public records, and when certified by secretary of Commission shall be received as prima facie evidence of "what they purport to be" in investigations by Commission or in judicial proceedings.

#### Section 6:

a. Provides that Commission may require filing of annual, monthly, and special reports by carriers, prescribes what annual reports shall contain, and requires carriers to furnish such specific information as Commission may from time to time require, and provides penalty for failure to comply.

b. Authorizes Commission to prescribe forms of accounts and records to be kept by carriers, gives Commission access thereto, provides for submission thereof to Commission or its agents or examiners, and provides penalty for refusal of carrier.

c. Makes false entry in, and mutilation, destruction, falsification, or alteration of accounts or records a misdemeanor and fixes penalty.

d. Provides penalty for unauthorized divulging of information by examiner.

e. Gives circuit and district courts jurisdiction to issue writs of mandamus to compel compliance with provisions of act.

f. Provides that where property shipped over several lines carrier receiving property shall be liable to shipper for loss or damage by other carriers and may in turn recover from such other carriers.

#### Section 8:

a. Provides for membership, salary, and organization of Commission.

#### Section 9:

a. Extends provisions relating to attendance of witnesses, producing of evidence, and compelling of testimony under original and amended interstate-commerce act to this act.

#### Section 10:

a. Repeals conflicting laws, but exempts pending causes from operation of amendments made by this act.

#### Section 11:

a. Provides that act shall be in force from and after passage.

I submit this epitome in refutation, so far as Federal legislation is concerned, of the claim of certain railroads that recent "drastic and inimical Federal and State legislation" will compel them to reduce the wages of their employees, and I assert that there is nothing in this law that furnishes the slightest pretext for such action.

#### THE SHERMAN ANTITRUST LAW AND THE BUREAU OF CORPORATIONS.

In 1890 Congress also passed the "Act to protect trade and commerce against unlawful restraints and monopolies," known as the Sherman antitrust law, which makes "every contract combination in the form of trust or otherwise, or conspiracy in restraint of commerce among the several States or with foreign nations," illegal and punishable by fine and imprisonment.

In the construction of this statute the courts have been obliged to hold that it aims at all restraints of trade, whether reasonable or otherwise and whether they tend to form monopolies or not.

(U. S. v. Trans.-Mo. Ft. Assn., 166 U. S., 290; U. S. v. Coal Dealers' Assn., 85 Fed. Rep., 252; U. S. v. Hopkins, 82 Fed. Rep. 529.)

In commenting upon this law in his last annual message the President refers to his repeated statements that "experience has definitely shown not merely the un wisdom but the futility of endeavoring to put a stop to all business combinations," and says:

Modern industrial conditions are such that combination is not only necessary but inevitable. It is so in the world of business just as it is in the world of labor, and it is as idle to desire to put an end to all corporations, to all big combinations of capital, as to desire to put an end to all combinations of labor.

Corporation and labor union alike have come to stay. Each, if properly managed, is a source of good and not evil.

Whenever in either there is evil it should be promptly held to account; but it should receive hearty encouragement so long as it is properly managed.

It is profoundly immoral to put or keep on the statute books a law nominally in the interest of public morality that really puts a premium upon public immorality by undertaking to forbid honest men from doing what must be done under modern business conditions, so that the law itself provides that its own infraction must be a condition precedent upon business success.

In 1903 a Bureau of Corporations in the Department of Commerce and Labor was created to compel publicity, and, indirectly, to prevent stock watering, and directed to investigate the operation of corporations other than railroads.

These laws were framed and passed by Republican Congresses, and under the Administrations of William McKinley and Theodore Roosevelt this Government has gone steadily on with the business of resuming control over itself by making corporate combinations subservient to law and order.

## NATIONAL AND STATE RIGHTS IN THE REGULATION OF COMMERCE.

Incited by Federal activity, the States have been aroused from an attitude of indifference into crusades of active emulation, as a result of which a good deal of ill-digested legislation has been proposed, some of which has become law, and as a further result an important legal question has arisen as to the adjustment of the rights of the States and the rights of the nation in the regulation of commerce.

Few railroads are now local. The same train carries both through and local freight; a State line has no logical relation to running expenses, and in the regulation of rates a State is not permitted to consider a road as a whole as to whether it is prosperous or otherwise, but it must fix rates according to the business done within its boundaries, although it is said to be impossible for a State or a railroad to apportion running expenses between through and local freight.

However, it has been judicially determined that States have the right to fix intrastate rates, and the courts have now the task of harmonizing the power of the several States to regulate commerce, beginning and ending within their several boundaries, and therefore severally and disjointedly to regulate commerce among themselves, with the power of Congress to regulate commerce "among the several States."

And the courts have also the further task of reconciling the power of the several States to initiate rival and retaliatory legislation with the fact that this is one of the things that the commerce clause in the Constitution was framed to prevent.

The conflict between State and interstate regulations is illustrated by a case which arose in Kentucky and was determined by the Federal Supreme Court in 1901. Section 218 of the constitution of Kentucky prohibited any common carrier in that State from charging or receiving more in the aggregate for a shorter haul than for a longer haul, where the shorter distance was included in the longer distance; and, in the case of the Louisville and Nashville Railroad Company v. Eubank (184 U. S., 27), in which it appears that the company charged the plaintiff 25 cents per hundred pounds for transporting tobacco from Franklin, Ky., to Louisville, Ky., while at the same time it was transporting tobacco from Nashville, Tenn., to Louisville, Ky., over the same road at 12 cents per hundred pounds, the Supreme Court of the United States held that the provision was such, "a hindrance to, interference with, and regulation of commerce" as to render it unconstitutional.

The effect of State rates upon interstate rates, under this decision, is discussed in a very able paper read by Hon. Charles F. Amidon, United States district judge for North Dakota, before the American Bar Association last September, in which he refers to recent legislation of the State of Minnesota in these words:

As the result of the schedule of rates prescribed by the State of Minnesota during the past winter, the rates on the western side of an invisible line were from 25 to 50 per cent higher than those on the eastern side. The railways could not maintain both these rates without discriminating against North Dakota points in a manner which would constitute a gross violation of that portion of the interstate-commerce act which forbids discrimination against any locality. The necessary result of the enforcement of the local rates was to compel a reduction of all through rates. This the Supreme Court has decided is such a direct interference with interstate commerce as to render the action of the State void.

In the power of the courts to determine whether the rates fixed by a Federal or State commission are reasonable or unreasonable resides the ultimate authority under our scheme of Government to equalize rates as between a national commission and State commissions, because neither the legislative body nor the commission acting under the authority of the legislative body has power to establish a tariff of rates so low as to deprive a carrier of its profits without just compensation, on the one hand, nor so high as to deprive the public of transportation at reasonable rates upon the other hand; and in the exercise of this high and important duty nothing is more important than that the courts should hold the scales of justice between the States and the nation, between shippers and carriers, with absolute impartiality, free from all influence except the influence of legal principles, so that no taint of sensationalism or of favoritism shall ever attach to them.

If conditions in 1787 indicated the necessity of giving power to the Federal Government to regulate interstate commerce, conditions now require the exercise of that power, not only to protect consumers, independent producers, and shippers from the combined power of cooperating combinations, but to protect the railroads themselves from the demands of powerful shippers; and no other question to-day equals in importance the question of how the relation between the United States and the States, and the corporations within the United States and the States, shall be adjusted.

## REDUCING PRINCIPLES TO PRACTICE.

Sir, in this work of making corporate combinations subservient to law and order, Theodore Roosevelt has been and is the strongest single element of civic virtue in the United States.

He has been and is the fearless herald of reform, the courageous advocate of the rights, welfare, and dignity of the people of the United States of America. [Applause.]

He has not only met every emergency, but he has towered above every emergency, and he has the backing and support of every man who believes that the best way to get pure water is not to paint the pump, but to clean out the well. [Applause.]

He has helped to keep the standard of Republicanism what it is and what it ought to be—the standard of the highest citizenship—to the intense dissatisfaction of some of our citizens, the measure of whose patriotism has had to be taken by the Bertillon system. [Laughter and applause.]

Not only has he helped to maintain the standard of Republican principles, but gentlemen on the other side are now claiming that he has adopted their principles with great enthusiasm and success, so that they have not got a principle left to stand on, which, however, it is not anticipated will make the slightest difference in the character of their next campaign. [Laughter.]

Under his leadership the Republican party has gone steadily on with the business of reducing principles to practical results.

This has been done not in any spirit of hostility to corporations as such, but "with malice toward none; with charity to all."

In the language of the President, in his first message to this Congress, "the aim of the National Government is quite as much to favor and protect honest corporations, honest business men of wealth, as to bring to justice those individuals and corporations representing dishonest methods."

It is said that the President's reiterated statements of his policy of the prosecution of dishonest methods brought on a panic already prepared by a declining public confidence, manifested by the withdrawal of stock investments and a depression of securities.

But what hurt public confidence more—the lawlessness of certain financiers who began to believe themselves above the law or their correction.

What hurt public confidence more—the insurance scandals or their investigation?

What hurt public confidence more—the custom of rebates and unjust discriminations or the enforcement of the law against them?

Sir, "it is a light thing for the shadow to go down 10 degrees. Nay, but let the shadow return backward 10 degrees;" and if the shadow on the dial which measures the hours by which we rule our lives had marked some decadence of commercial ideals, Theodore Roosevelt has been the strongest single element in America during his Administration for the restoration of those ideals. [Applause.]

There may not be quite so much of a rush among sycophants and timeservers to take a walk with him on a rainy day, now that he has declared that he will not be a candidate for reelection, but history will record him as among those who have faithfully administered heavy responsibility with no other fear than the fear of God. [Applause.]

Sir, am I mistaken when I say the people of this country want these principles to be continued and that they want the banner of these principles to be carried forward by a man who is in sympathy with these principles?

## THE EXERCISE OF VARYING FACULTIES.

The stipulation in Magna Charta, which has been reproduced in various forms in various constitutions, that "no man shall be deprived of his free customs and privileges," embraces the right of men to exercise their faculties in lawful avocations, jointly or severally, individually or in corporations, to fix prices and to raise and lower them.

Liberty in this country means not only freedom from imprisonment and servitude, but it means the right of men to live and to work in lawful occupations where they will and how they will.

But the regulation of men by law in their commercial relations, which is intended to broaden the opportunity of all by preventing, so far as law can prevent it, the monopoly of opportunity by a few, only deals with the surface manifestations of the profounder problems of the social relations of the people, by whom and for whom this Government was founded and is maintained.

Sir, the movement now going on to promote honesty in commercial and political methods by laws framed to restrain dis-



honest aggression by some upon the rights of others is not only an ethical movement, but it involves the perpetuity of our Republic.

Our civilization is and must be, if we shall continue to be a republic, something more than "a dead, iron machine, the god of it gravitation and selfish hunger," grinding out class distinctions.

If we are to continue to be a republic, there must not be any such thing as organized class proprietorship of the resources of this country.

If we are to continue to be a republic, there must not be any such thing as class control of the avenues upward in this country.

The fact that has distinguished and does distinguish this nation above all the other nations on earth is that here in America the boy, no matter how poor, "slumbering at the gate of dreams," may dream of a future and realize it some time—here under the Stars and Stripes, and every immigrant who crosses the gang plank at Ellis Island knows when he sees that flag that it means widened opportunity—the breath of a new life.

This democracy of opportunity is the birthright of every American citizen, which no dishonest methods ought to be permitted to curtail. [Applause.]

But, sir, the very right of men to dream of a future and to live and to work and to exercise their faculties in lawful vocations presupposes the exercise of varying faculties in varying occupations with varying ambitions and varying results in wealth and power and social distinction, and by the exercise of these varying faculties, spurred on by ambition, the world has been subdued and civilized.

Some people have an idea that they are poor because others are well off, but in the school of experience each man has to pass an examination every day, and he is marked up or marked down inexorably.

#### UNEQUAL DIVISION.

This struggle for what men call success begins early and ends late—ends only in the cemetery, and even there the monument of success towers in marble pride above the humbler graves.

It has been going on ever since pasture grew scarce for the joint flocks of Abraham and Lot.

It is the animal tooth-and-claw struggle for mere existence translated into the struggle for wealth and power and social distinction, and its aggregate results inventory large in our national census.

Some one has figured that our national wealth amounts to more than \$130,000,000,000, and Mulhall estimated a few years ago that every day the sun rises it sees two and a half million dollars added to the wealth of this Republic, and this wealth is divided in varying shifting shares among a population ranging all the way from mendicant to millionaire.

To the tramp on the track looking for a dry culvert to sleep in this is all a remote abstraction, having no relation to the next meal.

To the capitalist it means the conquest of the forces of nature by science and machinery, developed by capital.

To the Socialist it means the piled-up accumulation of labor, which ought to be "expropriated" by the state and divided among the members of society "according to their reasonable needs" upon a universal obligation of labor.

To the Republican it means prosperity, aided by Republican policies.

To the Democrat it means he says prosperity in spite of Republican policies, which he secretly fears would be dissipated if he were permitted to gain control. [Laughter.]

To the demagogue it means a chance to tell the people that the whole thing means terrapin, champagne, coupons, yachts, automobiles, and private cars of which they are unlawfully deprived by political and financial jugglery, and how much better it would all be if he were given a political job. [Laughter.]

And this wealth is not divided equally among us, but if it were divided equally among us, it would immediately begin to distribute itself again into debts and dividends, overdrafts and balances, and some would gamble theirs away before morning.

The money-getting faculty ranges all the way from the mere money-getting instinct, with its prehensile grasp, to the capacity for great affairs, and it works in devious ways and forms.

One man gets control of some patent medicine, advertises it and induces foolish people to tell their symptoms to the public; another gets control of some machine that the genius of a Watt or a Galvani has potentially set in motion; another buys pelts of the Indians as Astor did; another sets a mouse trap in Wall street as Gould did, and the next generation immediately

begins to look for a coat of arms, intermarries with so-called "foreign nobility," advertises its wardrobe, and gains international notoriety in the divorce courts. [Laughter.]

This money that men are struggling for is a symbol and equivalent, convertible into almost anything, from the price of a meal to the price of an empire, except happiness.

It brings power to gross, paunchy, unilluminated hoggishness, crowding at the financial trough, and it is the medium of exchange whereby the noblest traits of human nature are translated into deeds, and in its pursuit men have strained every energy and broken every Commandment.

But a world with no rival enterprises and ambitions struggling upward; a world of eternal contentment in statu quo, would be a lotus eater's dream of changeless rest and nothingness.

It is not possible that all should be equally rich or that all should be equally poor, any more than it is possible that all should be equally intelligent and all equally honest. But if you were going to make all the world equal, whom would you make all the world equal to? What would be your standard?

#### RENDERING RETURN TO SOCIETY.

Sir, notwithstanding the fate of Dives and the possible effect of a bank account as "contributory negligence," there are worse things than being rich, and one of these things is being a liar and a hypocrite, and pretending you would not like to do it yourself. [Laughter and applause.]

The Scriptures enjoin diligence in business, and the man who returned 100 per cent on the talent left with him for investment was made "ruler over many things," and he still continues to rule over many things.

The wealth of some of these rulers over many things is a splendid benefaction to all who come in contact with them, and the wealth of others is of no benefit either to themselves or to anyone else.

A world without business is an impossible world, and in a world of business men have a right to their reward.

The average business man gives something back to society for what he takes and the higher his talent the more he gives, and this element of reciprocity—barring gamblers, swindlers, social parasites, and fungous growths—runs through human activities all the way from mediocrity to genius—from the man who manufactures toothpicks to the man who discovers a new world.

An occasional Thoreau is an interesting exception in the midst of enterprise, but a community of Thoreaus would contribute nothing to progress or to taxes.

The doctor or the surgeon who saves a life, the scientist who discovers an anæsthetic which saves humanity an inferno of pain, the statesman or the diplomat who averts a costly war, the inventor who makes the luxuries of yesterday the things of common use to-day, the captain of industry who organizes an enterprise which gives employment to thousands—these men render service to society and for what they take they render valuable return.

Take, for illustration, the building of railroads. The railroad builders and managers of this country have, as a whole, by their faith, skill, courage, and energy, contributed to the public welfare.

Judged by the rule that makes a man a public benefactor who makes two blades of grass to grow where one or none grew before, they have probably grown about as many tons to the acre as the average politician. [Laughter.]

It is true they have had gigantic power beyond the mere hauling of freight and passengers, which they have used with gigantic effect, not only for their own benefit, but for the benefit of the country.

They have built for profit. Who builds otherwise? But they have strained invention to reduce distance, and there never was a time when a man could travel so far or ship so much so far for so little money as now.

They have built for profit, but they, more than any other industrial agency, have bound together a homogeneous America.

They have built for profit, but their work with pick and ax and team and construction train has opened, peopled, and transformed desert wastes into fertile fields and strung state-houses, towns, churches, schools, colleges, and factories along their rights of way.

To say that these men shall not have their fair reward would be as unfair as to say a section man should not have fair pay for an honest day's work.

Sir, I have great respect for the man who does things, but at the same time I do not want him to reduce the rest of mankind to mere material to be worked like the rank and file in Homer's Iliad, whose chief function was to furnish heads for his heroes to break. [Laughter.]

Railroad managers have run their business too much like an

independent sovereignty to which the country was tributary and have treated transportation too much like a commodity to be taken at their price or let alone, except when dealing with their corporate peers.

For this the people themselves have been in part to blame, but the situation is evolving its own correction and incidentally it has presented a splendid opportunity for a certain kind of statesmen who, after reading one or two pamphlets on transportation, have felt themselves thoroughly competent to take command of the whole situation, and at the same time they have not neglected to have themselves photographed as in mortal combat with octopuses. [Laughter.]

Sir, when I see the success of some men in politics, I know that the saying that you can not get something for nothing when applied to politics is a lie. [Laughter.]

#### OLD PROBLEMS IN A NEW SETTING.

That part of our press, sir, which analyzes the events which it chronicles has called attention to two opposite tendencies in our growth, viz, that while we have been growing more democratic in politics, religion, and education, we have been growing more autocratic industrially, but the statement of problem suggests its own solution.

Two inconsistent movements can not long continue side by side; one or the other must in the long run prevail; either democracy will abolish autocracy or increasing autocracy will continue to encroach upon a diminishing democracy to the point of its extinction.

But, sir, it is not likely that democracy will yield, because the great democratic movement which is constantly going on in the world is the most ancient, uniform, and permanent tendency in history, and here in America it has reached its highest manifestation.

But this does not mean that all men will be made equal. We have no evidence that this is likely.

God made men different here, and hereafter, we are told, the difference will be still more marked—that is, we are told that some of us will be subjected to a higher temperature than others. [Laughter.]

Sir, these aggregations of capital, these combinations of labor, these differences between labor and capital, these lines of social cleavage are but the present manifestations of ancient differences which have seethed and fermented under all forms of government since governments were instituted among men.

If we have acquired great natural resources here in America, we have also acquired a condition of liberty in which the natural traits, talents, and differences of humanity flourish and fructify.

After centuries of warfare with caste, privilege, prerogative, kings, and dynasties humanity has realized here its ultimate ideal of popular government, and the people are supreme, but that does not make them all equally supreme.

Liberty is universal, education is common, and everybody is the equal of everybody before the law, except that, as a rule, the poor man has the advantage over the rich man before the jury. [Laughter.]

If, sir, we have inherited the accumulated endowment of centuries of genius and of labor, we have also inherited the unsolved problems of all the past.

If we are more and more conquerors of matter, the fundamental problems of human existence puzzle the minds of men now as they did two thousand years ago.

"THE THING THAT HAS BEEN, IT IS THAT WHICH SHALL BE."

Civilization still presents the paradox of want in the midst of plenty, hunger in the midst of feasting, and the abolition of poverty is still the dream of visionaries.

The meek may eventually inherit the earth, but the laws of descent are not framed that way now. [Laughter.]

We have no titles of nobility, but we have men who command markets to rise and they rise, to fall and they fall, and we have constant illustrations of the involuntary deference that one million pays to two millions, just as it always did. [Laughter.]

There are men of great wealth and great men of wealth, just as there always were, but in practice the public comment makes but little distinction between the two-talent man and the five-talent man, except that the five-talent man is more frequently singled out for denunciation, just as he always was.

There are a good many people who regard wealth as incompatible with honesty anyway unless they themselves are well off, just as there always were. [Laughter.]

If a rich man gives to charity and public benefactions he is likely to be regarded as a contrite pirate contributing to a conscience fund, just as he always was. [Laughter.]

The logic of dishonest premises and prosperous conclusions;

of the triumph of craft and brute force; of visiting the sins of the fathers upon the children; of being pushed by the dead hands of heredity still awaits post-mortem explanation, just as it always did.

The mammoth pumpkin, the charlatan, the juggler, the clever swindler, the adept in high finance still attract and hold the crowd and still collect toll from their credulity, just as they always did; and the demagogue who loves the people for what he can get out of them is still talking with unctiousness, just as he always did.

It is a good deal easier to see the mote in our neighbor's eye than it is to see the beam in our own eye, just as it always was.

During the coal strike the Standard Oil Company was denounced for raising the price of oil the fractional part of a cent, and the most vigorous and vociferous denouncer among my acquaintances was a man who owned a wood yard and doubled the price of his wood without making any discrimination in favor of the poor, and there was not the slightest analogy in his mind between his conduct and that of the Standard Oil Company. He had the supply and was letting the law of supply and demand do its work, just as the man with the supply has always done.

We talk about peace, and we establish an international foundry for the beating of swords into plowshares and spears into pruning hooks, but the world's greatest gun maker died a year or so ago the richest man in Europe and the Nobel prize goes to the man whose peace policy is to be prepared for war [laughter], and we demonstrate our Navy in proof of our preparedness, and a nation is respectable in the international world when it has armies and navies enough to protect itself, just as it always was.

We talk about the "simple life," but the appurtenances of civilization contribute to its complexity; and in the social world of clothes and conversation we are doing the oldest sort of things in the newest sort of way.

In the mummy room of the British Museum, among the relics of a dead empire, is the skeleton hand and wrist—the catalogue says—"a society lady of about the reign of Thotmes III," the nails dyed with henna and the wrist bones encircled by a bracelet. With some changes of scene and costume, more or less, the play goes on now as then, and the fundamental passions that make the play a comedy or a tragedy are the same now as then.

And life is still a lottery, as Voltaire said it was, "where the lucky tickets are rare and the grand prize of continual happiness was never won by anybody," just as it always was.

#### SOCIALISM.

Schemes for remodeling society on a socialistic basis by the confiscation of property by tax or otherwise and the abolition of the laws of inheritance run back to the days of old Lycurgus and "the Republic of Plato."

The communistic idea found expression in the Hebrew hierarchy with its Sabbatical seventh year and its fiftieth year of jubilee; in the communistic life of monasteries, where prince and peasant were equal in their cells; in the uprising of 1381, led by Watt Tyler, and inspired by John Ball, of Kent, the Lollard follower of Wyckliff, who urged that "things will never go well in England so long as goods be not common and so long as there be villeins and gentlemen," and put the everlasting question, "By what right are they whom we call lords greater folk than we? On what grounds have they deserved it? Why do they hold us in serfage?" "When Adam delved and Eve span, who was then the gentleman?" [Applause.]

It spoke again sixty-nine years later in the "Complaint of the Commons of Kent," presented by 20,000 Kentish men, headed by Jack Cade, who promised his followers that all lands should be held in common; that wealth should be degraded and poverty abolished; that seven half-penny loaves should be sold for a penny; that the three-hooped pot should have ten hoops, and that it should be felony to drink small beer.

It expressed itself in the so-called "modern scientific socialism," generated out of the ferment of ideas about property and the State and the origin and objects of civil society in France, which characterized the last half of the eighteenth century, and culminated in the work of a group of French philosophers known as the "Encyclopedists," who represented the reaction of mind against the rotten barriers of old conditions.

It expressed itself in the writings of Rousseau, who defended barbarism against the civil state so well that Voltaire wrote him: "One feels disposed to walk on all fours when one reads your work;" in the writings of Mably and Morelly, who taught that "good legislation should be continually decomposing and dividing the fortunes which avarice and ambition are continually laboring to accumulate;" in the teachings of Babeuf, who



taught that "the aim of society is happiness and happiness consists in equality;" in the social experiments of Robert Owen and the speculative philosophy of St. Simon and Fourier; in the French revolution of 1848, when the dream of the social millennium with which men had deluded themselves turned to a nightmare of blood and horror.

It expressed itself in the plans for the subversion of society promulgated by Karl Marx and Ferdinand Lassalle, approved by many socialistic congresses, but of late modified by socialistic success in Germany to a programme of progressive social reform, which has divorced anarchy and proposes the transformation of society as it goes along toward the ultimate appropriation of lands and property, the repudiation of all debts, public and private, and the substitution of State for private ownership.

This is the last phase of socialism, unless we include the scheme of Mr. Bryan, which is in harmony with it, to smother the vital principles of the Republic by supplementing the present city and State control of public utilities by Government ownership of railroads, and the creation thereby of a political machine, having railroad and office-holding affiliations, which could control the course of legislation and hold the balance of power in any election.

Men have been groping for centuries for some solution of the unequal distribution of talents, wealth, and power, but the wisdom of the ages comes back again and again to the explanation that each is held accountable for what he makes of what is given to him—that talent, wealth, and power demand their usury in human conduct; that thrift and idleness, sagacity and stupidity, sobriety and drunkenness, genius and mediocrity, honesty and dishonesty are paid in their own coin; but, assuming a Supreme Intelligence which cares, and not an unchanging law that does not care, the ancient question of *why* men are born weak, unfortunate, and criminal still remains unanswered.

#### INEQUALITY BUT BROTHERHOOD.

Sir, nothing will ever be able to reduce the fundamental and organic differences of mankind to any dead level of equality.

Freedom is still "broadening slowly down from precedent to precedent," but this very freedom gives greater rein to natural differences.

And these same differences have forced men on from barbarism to the intellect that weighs the stars and studies the forces that flash through space. [Applause.]

From the time when force gave way to intellect in the world every addition to science and every new idea has contributed to the advancement of mankind, not of some, but of all; not of the rich and the fortunate alone, but of the poor and the unfortunate.

But it has not advanced all equally.

"Business interests" are selfish interests necessarily, but there never was a time when business interests realized and responded to their obligations to society more generously than now.

In the year 1907 the gifts to religion, education, and charity in the United States amounted to \$150,000,000.

Sensitive scientific instruments 7,000 miles away recorded the earthquake shocks at San Francisco, but human sympathy the world over was still more sensitive, and the evil elements in San Francisco stand out in sharper contrast and blacker infamy against the background of universal generosity.

Recent criminal instances do not characterize or even qualify the true standard of our civic virtue, and the sun in its daily journey never shone upon a more generous and philanthropic people than our own or a people of higher national morality.

Mankind has not ceased to make war, but patriotism has widened into altruism, and our relations with Cuba, China, and the Philippine Islands has been characterized by a spirit of brotherhood which the world has never witnessed heretofore.

The nineteenth century began with cruelty and intolerance and the occasional individual temporary relief of mendicancy and ended with organized benevolence and humanitarianism.

Philanthropy is now a part of the complex unity of our social life. It has reformed the prison systems of the world. It visits the sick and the unfortunate. It builds homes, hospitals, and refuges for the old, the sick, the infirm, the deaf, the dumb, the blind, the insane, and all those with whom fate or chance or destiny has dealt unkindly.

But it needs to be remembered that it is not organized benevolence dispensed by proxy—not the founding of charitable institutions alone—not the giving of money flung from the lavish hand of plenty that helps on the brotherhood of man, but it is the spirit of sympathy with which all these things are done and bestowed.

#### THE WEB OF LIFE.

So long as the work of the world is done by average men—and "there is not a purpose or project or plan but depends on the strength of the average man"—and so long as the products of the work of the average man are multiplied by the talents of exceptional men, all are indispensable, and all are entitled to the reward.

There are some qualities the world can never get too much of and is always willing to pay for, and these qualities are intelligence, courage, and honesty.

The affair of capital is the affair of mankind, and the affair of labor is the affair of mankind, and it is not an impossible dream that the time may come when labor and capital, no longer on guard against mutual aggression, shall work together for their good and the common good, recognizing that when a business is prosperous, everybody connected with that business is prosperous, and when a business is not prosperous, nobody connected with that business is prosperous.

But so long as combinations of capital and labor exist, it ought to be clearly understood that they are the servants of the people, and not their masters, and must be subject to wise regulation and control.

And it can not be possible that all our work under the sun counts for nothing when we are done. I prefer to believe that—

"Whatever thy task, thou art even as one who twists the thread and throws the shuttle, weaving the web of life. Ye are the weavers, and Allah, the merciful, does He not watch beside the loom?" [Prolonged applause.]

Mr. MOON of Tennessee. Mr. Chairman, I yield to the gentleman from South Carolina [Mr. FINLEY].

Mr. FINLEY. Mr. Chairman, I yield to the gentleman from New York [Mr. HARRISON].

Mr. HARRISON. Mr. Chairman, in the last few months the newspapers of our country and of Europe have frequently contained descriptions of alleged atrocities in the Kongo Free State. Since the entrance of the United States upon the arena of world powers our people have an interest in subjects of this nature measured by our weight and influence in international affairs. There are those who believe that these newspaper articles are inspired by powers not wholly disinterested in the premises. On three continents within this decade we have seen instances where alleged atrocities or wrongdoings in the internal affairs of weak nations have been used as an excuse for active or armed intervention by their more powerful neighbors, resulting sometimes in large increase of territory for the latter at the expense of the former. Bearing this in mind, it is interesting to read the account of the Belgian administration of the Kongo Free State written by a most recent visitor to that country. The book *From the Niger to the Nile* contains a narrative by Lieut. Boyd Alexander, of the British army, of his three years just passed in and about the territories of the Kongo. Lieutenant Alexander did not go down there at the behest of a yellow newspaper nor of a "muck raking" magazine, but was the leader of a most notable scientific and exploring expedition for his Government. He pays the highest compliments to the Belgian officials, and completely disposes of any sinister suggestions of atrocities upon the natives by the Belgians or with their connivance. His picture of the true state of affairs in this great empire, in "Darkest Africa," shows the Belgians to be among the foremost colonizers and administrators of the civilized world and most humane and righteous in their dealings with the negro races. To quote his own language (Vol. II, p. 338):

Before leaving the Kongo I will take the opportunity of saying a few words on the Belgian administration, which my prolonged stay in the country gave me many chances of studying. My observations, of course, only apply to the country through which I passed, which was the Welle region and the Lado Enclave, where the Belgian posts are numerous.

As a traveler it was always my object to get away from the influence of the posts as much as possible, and most of my time was spent in distant villages in the forest, where I went to make collections. After a short time I invariably gained the confidence of the natives, and I had many talks with the chiefs. I will cite one as an example. I asked a Mobatti chief whether his people liked the coming of the white man to his country, and he replied: "Since the white man has come we have no longer any fear for our women or property. Before his coming the chief next to me, who is stronger than I am, used to raid my villages continually. No man could travel from one village to another without going in fear of being waylaid and killed; but now we work for the white man and he is strong for all."

For the protection thus afforded them the Kongo government, like other administrations in Africa, imposes obligations upon the natives. These take the form of each chief supplying to the post of the district a certain amount of labor and produce, the latter varying according to the things his country yields, but it is generally plantains, rubber, or palm oil. The work for which his men are employed also varies; it may be rubber collecting, or canoe work, or carrying, but in every

case the men are paid. Canoe men and carriers get 25 centimes a day, the value of which is taken out by the men in cloth from the magazine of the post.

In the Welle region the circulation of the Kongo State money is hardly known, and all pay is given in kind. The wonderful system of waterways by lightening the labor of carrying has enabled the Belgians to use trade goods to the utmost advantage. The natives are ignorant of cloth making, and so cloth to them is a valuable article, and for payment goes a much longer way than in many of our own colonies.

The Belgian system of labor organization is a sound one. The post is seldom if ever more than five days' distant from the next, which is an advantage for transport purposes, for five days' carrying is the limit that any one man should be called upon to do at a time. The commandant of each station keeps a roster of the chiefs in his district and the amount of labor that each has to supply; so when a transport is required from his station to the next, a chief is called upon in his turn for the men, who know exactly what is required of them.

It is admirable what a hold the Belgians have over the natives by always ruling them through their chiefs. I have seen as many as 500 men in a post ready for work at a few hours' notice, and I have also seen cases in our West African colonies where an official traveling through the country has had to wait a day or two before a resident could get him twenty-six carriers.

The Belgian native soldiers have their two parades a day in the station when they are not on escort duty, and they are never allowed to go into the villages unless under the charge of a white officer. They are recruited from the tribes of the district, and are generally sent down to Boma for their training. Each man has to serve for seven years, after which he may reengage if he likes. His pay is 25 centimes a day. At the end of the month he goes to the store of the post where he is allowed to choose whatever he likes in the way of cloth to the value of his pay. For his food he is given 5 "mitakos" per week, or 25 centimes; and he is also housed. For each month of good conduct he receives 1.25 francs toward pension, but this is forfeited should he incur a flogging of twenty-five lashes.

Each soldier is allowed one wife, who must do a certain amount of work in the post, such as sweeping, carrying water, or cutting up rubber. For this work she receives 1 franc per month, or its equivalent in cloth, etc.

Every Saturday it is a usual sight to see strings of women from the neighboring villages coming into the post, carrying bunches of plantains or small baskets of sweet potatoes, to be sold to the soldiers and other permanent hands.

Then when Sunday comes there are often large gatherings of chiefs, all dressed in their best clothes, who have come in to pay their respects and to talk with the chef de poste. It is certainly an interesting sight to watch the chiefs and their headmen sitting in front of the official's house, talking and laughing with the white man to their heart's content, sometimes, perhaps, airing a little grievance, which is soon satisfactorily settled; at others telling him the reason, maybe, of some custom existing in their tribe. Then a glass of claret is given to every chief, after which they take their departure.

The Bangala language, which is spoken by all the chiefs, and in many cases by the natives, too, has to be spoken by every white man who enters the service of the Kongo State. The effect of this has been far-reaching in establishing a better understanding between the native and the European, besides giving to the officials an intimate knowledge of what is going on in the country, and making the oppression of natives at the hands of their chiefs a much more difficult thing than it was formerly. It is, in the first place, to this system of knowing the language that the Belgians owe the strides they have made within the last ten years in opening up the country.

The obstacles that have had to be overcome were very great. The extraordinary number of tribes in the Kongo, many of which are fierce and intractable like the Bangalas and Ababuas; others of low civilization, like the Momvu and Mombutu; made the first step of civilization extremely difficult. Soldiers had to be recruited from the West Coast, among them Hausas and natives from Sierra Leone, who, not being of the country, committed acts of cruelty and pillage whenever they got the opportunity. Another source of trouble has been the employment in official capacities of men of different nationalities, with the result that there has been friction with at least one other nation.

The system of labor imposed upon the natives can have none but a good effect. It brings them into closer contact with the white man and civilization, and imbues them with a sense of responsibility. As long as the native is left to himself, so long will he sit outside his hut and occupy his time in staring into vacancy. In the forest regions the soil is so rich, and the chances of loss by plague or storm so few, that little husbandry is required of the native to grow his crops. But since the white man levies so much food from him it means he must increase his plantations, and so the country becomes richer in cultivation year by year. In so fertile a region it naturally follows that living is extremely cheap, and this must be borne in mind when we deal with the question of the payment of the natives. But, in spite of this consideration, it is my opinion that the rates are much too low, and should be readjusted. This applies also to the pay of the white official. On the other hand, in our own and the German West African colonies things have been carried to the other extreme. One shilling a day for a native soldier and 9 pence to a shilling for a carrier are, I consider, ridiculously high.

To sum up the result of my observations on the administration of the State, having regard to their knowledge of the country, their control of the natives and the condition of the tribes that come under it, the discipline of their soldiers, the finely built stations, and excellent transport arrangements, it is my opinion that the opening up of the Kongo places the Belgians in the front rank of colonizers.

I can not pass from the Kongo without saying a few words on the "atrocities" question. Were I to consult my own convenience I would rather leave the matter on one side as being one that has nothing to do with the objects of the expedition, for it is not a pleasant thing to have to stand, as my convictions force me to do, in opposition to many of my fellow-countrymen, who, in their crusade against the Kongo Free State, I know are actuated by their humane principles. I have read Mr. Morel's book, and as I read I was appalled by the horrors it describes. If such things be true, it is a terrible thing to think of that one could for a moment try to check the avenging hand. When Mr. Morel buckles on his armor and goes for the dragon that is oppressing the weak, it is with a force and fire that would be worthy of the patron saint of Englishmen, and one can not help admire and feel sorry to find oneself on the side of the dragon. But having seen what I have seen, it would not be right for me to refrain from speaking; besides my silence might be misconstrued.

We had exceptional opportunities for studying the effects of the Belgian rule on the natives. I myself and José Lopez spent a year in

the rubber region, and for the greater part of that time were in out-of-the-way districts, living side by side with the natives; but though we spoke with the chief of every village we came to, we could not hear of a single case of "atrocities," and Gosling, who spent the last six months of his life under similar conditions found his experience agree with ours. And this did not merely go to prove the absence of oppression, but also to show that the Kongo tribes as a whole are happier since the Belgian occupation. I say "as a whole" advisedly, for I must, in all fairness, admit that there are some tribes that feel the oppression of being made to work, and the military restraint that keeps them from eating up other tribes. But in the eyes of the interested humanitarian this misfortune should be outweighed by the advantages conferred on the more gentle natives who now have peace and prosper.

There is no smoke without fire, and I do not doubt for one moment that in the first days of the colony there were many terrible abuses. These things, alas! happen in the early history of most colonies where black troops are employed. How much more certain is it to have been the case in the Kongo Free State, where at first the soldiers and laborers were recruited from outside the colony, and the officials were and still are drawn from all nations, and so not imbued with the spirit of patriotism? When it is known that many of the tribes among themselves inflict barbarous punishments of mutilations, of which I personally have seen several instances, it is easy to see how wrong impressions can be formed. And the fact that many photographs of these things find their way to Europe, labeled, and rightly so, "Kongo atrocities," shows how dangerous it is to accept this sort of evidence.

A case in our own experience may serve to show the reader what animus exists against the Belgians. In spite of the fact that nothing could have exceeded the kindness of Commandant Sarolea and the officers at Niangara in the sad circumstances of poor Gosling's illness and death, a report reached Khartoum that he had died of starvation in Belgian territory, with the natural result that the Anglo-Egyptian government sent a request to the commandant supérieur of the Welle district to know if it was true. I was in Faraggi at the time the message came through, being very kindly entertained by the Belgians, although they themselves were suffering from a shortage of food, owing to their supplies having been stopped from Khartoum in consequence of the Bahr-el-Ghazal affair. When the Belgians showed me the message I blushed for shame.

No, the Kongo dragon is dead and it is unseemly to go on gibbeting the carcass.

Mr. FINLEY. Mr. Chairman, I now yield fifteen minutes to the gentleman from North Carolina [Mr. SMALL].

Mr. SMALL. Mr. Chairman, I desire to discuss what is ordinarily termed the "ocean mail subsidy." In the brief time allotted to me I can not discuss this proposed legislation in all its aspects, but only one or two phases of same. It would be best to inquire at the threshold the character of this legislation. It is proposed to amend the act of March 3, 1891, which provided for our ocean mail service. In that act ocean steamers were divided into four classes, and the rate of compensation for carrying the mails was graduated for each separate class. It is only necessary now to refer to the first and second classes. It was provided that the first class should be of iron or steel screw steamships capable of maintaining a speed of 20 knots an hour at sea in ordinary weather and of a gross registered tonnage of 8,000 tons. The second class it was provided should be iron or steel steamships capable of maintaining a speed of 16 knots an hour at sea in ordinary weather and of a gross registered tonnage of not less than 5,000 tons.

The rate of compensation to be paid the steamers of the first class could not exceed the sum of \$4 per mile and for the second class could not exceed the sum of \$2 per mile for each outward voyage. The act of 1891 further provided that contracts could only be made with American steamships.

The bill under consideration (H. R. 4068) provides that there shall be paid to vessels of the second class the sum of \$4 per mile, as provided for vessels of the first class, thus doubling the amount allowed to be paid under the act of 1891. The purpose of the bill, upon its face, is to establish routes to South America, to the Philippines, to Japan, to China, and Australia. This bill was referred to the House Committee on the Post-Office and Post-Roads, of which I have the honor to be a member, and in turn referred to a subcommittee, which by a majority vote has favorably reported the bill to the full committee.

This reference of the bill to the Post-Office Committee would indicate on its face that its purpose was to promote and extend our ocean mail service; and if such was its primary purpose and the extension of such ocean service was necessary, such reference of the bill was proper, and your committee and this House would be justified in providing a sufficient appropriation to carry the ocean mails at the lowest rate.

Such, however, is not the purpose of the bill and there is no such pretense upon the part of its principal advocates. In the first place there are substantially no American ships already constructed and available for this service, and the object of this increased compensation is to furnish an inducement for the building of the ships and thereby furnish employment and profit to our shipyards. In other words, it is the same movement for ship subsidy which has been before this House at regular intervals for the past ten years. Because it is presented under the guise of providing ocean mail service and the appropriation is to be made under the Post-Office Department does not entitle this bill to any more favorable consideration than that which has been accorded in the past to the several ship-subsidy bills



proposed. In truth it is not so meritorious, because heretofore its advocates have sought an appropriation directly out of the Treasury for reviving our shipyards and shipping, while in this bill it is proposed to take the amount out of the post-office appropriation, thereby increasing the amount necessary for maintaining this large establishment and at the same time increasing the deficit.

It would be interesting to trace the evolution of proposed ship-subsidy legislation during the past decade. The first session of the Fifty-sixth Congress, during the early months in 1900, witnessed the descent of this hungry horde upon Congress. At that time a more favorable sentiment existed toward such legislation than at any subsequent period, and if a bill had been then drafted providing for new ocean mail lines and avoiding any opportunity of a Treasury raid, seeking simply to extend the postal service, with incidental encouragement to our merchant marine, it is probable that favorable legislation might have been obtained. On the contrary, its promoters and sponsors demanded legislation for the express purpose of benefiting certain steamship companies, but with no pretense of reviving generally our merchant marine or extending our ocean mail service. The inexcusable selfishness exhibited at that time aroused the country and created such a storm of criticism in the newspapers that its enormity was exposed and the entire country became prejudiced against subsidies of every kind. The promoters of the movement at that time and each session thereafter have presented bills to Congress.

Each year various modifications were made, less appropriations were asked, and the more discreditable features eliminated. This continued until the last Congress when a bill more moderate than any other was reported to this House and passed, but failed to become a law. That bill is substantially the bill under consideration except as before stated, the same object is sought to be accomplished under the guise of extending the ocean mail service. The subsidy bill of last session provided substantially for naval volunteers, for subventions to cargo vessels, and also for subventions for carrying the mails. Under that bill it was estimated that the net cost for the second year would be \$1,677,000, which at the end of ten years would have increased to \$7,682,000.

What is the evidence that sustains the proposition that this is a mere ship subsidy bill? A hearing upon this bill was had before the subcommittee of the House Committee on the Post-Office and Post-Roads, at which time the Second Assistant Postmaster-General, Mr. McCleary, appeared, together with others. The argument of Mr. McCleary was to the effect that Congress ought to pass the bill because it was necessary in order to provide for the common defense. On page 43, he stated that in his opinion the foundation argument in favor of this measure was the necessity of having naval auxiliaries for the common defense.

On pages 6 and 7 of the hearings the statement is made both by Hon. W. E. HUMPHREY and by Mr. W. L. Marvin that there are no available American ships on the Atlantic Ocean which could contract for this service, but that such ships would have to be built. It was further stated that substantially there were no ships upon the Pacific coast for this service and most of them would have to be built. On page 12, of the hearings, it is stated that if this bill is enacted into a law it will add about forty new steamships; sixteen on the Atlantic coast and twenty-four on the Pacific coast. I quote these statements of the advocates of this legislation in order to further sustain the proposition that the object of the bill is twofold: First, to furnish a pecuniary inducement for the building of forty steamships, and second, for providing an equal number of naval auxiliaries. It is claimed that capital will not be invested in the construction of steamships in our shipyards and that our yards will not be given the contracts for building these ships unless this subvention or subsidy is granted to them. On pages 34 and 35 of the hearings it was sought to have the Second Assistant Postmaster-General rest his demand for this increased appropriation upon the necessity of enlarging the ocean mail service, but he declined to do so and placed it upon the grounds above named. It was admitted in the hearings by the Second Assistant Postmaster-General, on page 26, and by the Commissioner of Navigation, Mr. Chamberlain, on page 33, that our ocean mail could be carried much more cheaply than under the present bill if the service was open to competition to all the world.

The distinguished gentleman from Ohio [Mr. GOEBEL] made a speech in the House a few days ago for more than an hour in advocacy of this bill. This speech gave ample evidence of research and careful preparation, and the purpose running all through his remarks was to show the decline in American ship-

ping in the foreign trade and to urge the necessity of this increased appropriation as a means of inducing the building of additional ships in American yards to engage in foreign trade and incidentally to carry the ocean mails proposed in this bill. It was an argument entirely appropriate and suitable in advocacy of a ship subsidy, without reference to the postal service. Though my time is limited, I hope I have made plain the proposition that this is simply another subsidy bill attempted to be "sugar coated" and under the guise of extending our ocean mail. If any gentleman upon either side can point out to me, either in the hearings before the committee upon this bill or elsewhere, any evidence that such is not the primary purpose of the bill, I shall welcome an interruption in order that such evidence may be furnished. [Applause.]

I would not be misunderstood in this matter. I do not contend that the compensation for the carrying of mails can be regulated by any arbitrary rule. It is frequently true that in some sections and by some methods the cost of carrying the mail between any given termini must be greater than the revenue therefrom. This is true of many star routes and steamboat routes in our domestic mail service, which supply the mails in sparsely populated sections. There is scarcely a rural route in the country where the receipts equal the cost. There are some railway routes, where, because of sparse population or rapid transit, large amounts are paid. But in all these instances the primary purpose is to transport the mails, and not to maintain steamboats or railroads. The fact that the same was paid by the Government and enters into and forms a part of the revenue of the steamboats or railroad lines is simply an incident, and does not affect the principle involved.

Inquiry has been made as to how much this will increase the annual expenditure for our ocean mail. This amount can only be approximately estimated, and the friends of this bill in the hearing estimated that it would increase the cost annually about \$3,600,000. If a steamship line was established from the Pacific coast to the west coast of South America, the additional amount was estimated at \$4,000,000. It may be safely stated that these are mere estimates and represent the minimum sums.

It was stated the other day by the gentleman from Ohio [Mr. GOEBEL] that the net annual revenue at present from our ocean mail service amounts to about \$3,600,000, and therefore the increased sum made necessary by the enactment of this legislation could be met out of the net revenue from the ocean service. There are several pertinent comments which might be made in answer to this argument. First, it may be stated that the great bulk of revenue from our ocean mail service comes from the trans-Atlantic service from New York and other eastern cities to England and the ports of the continent of Europe, and that no profit could arise upon any proposed routes from the Atlantic ports to South America or on the Pacific.

In the next place, the amount of net revenue so stated can not be arrived at by any proper method of computation. As pointed out so clearly the other day by the gentleman from Kentucky [Mr. SHERLEY], this alleged net revenue is computed by deducting the cost of the service from the gross receipts of the ocean service. The great bulk of ocean mail originates from points far interior, and this computation does not take into consideration the cost of forwarding such mail to the seaboard, neither does it consider any part of the cost of administering the mail service. These propositions are substantially submitted by everyone, and if properly considered they will serve to reduce materially the alleged net revenue from the ocean mail service.

In further answer to the suggestion that we may use the net revenue for the purpose of this legislation, there is another answer which can not be controverted. If the main purpose of this legislation, as has been pointed out, is to subsidize ships in the foreign service, then it can make no difference whether the increased appropriation comes out of the net revenue from the ocean service or whether it is derived from an original appropriation out of the Treasury. The principle is the same. It is the object of the legislation which is vicious, and, being so tainted, it can not be removed or made legitimate by taking the money from any particular source. With all due respect to those who differ, this seems to me to be the only consistent and logical conclusion. [Applause.]

Before I conclude I beg the privilege of saying a word with reference to American shipping in our foreign trade. I admit that only about 10 per cent of this trade, which has grown to such ample proportions during the past few years, has been carried in American bottoms and under the American flag. I would be untrue to my obligation as a Representative if I did not express the keenest regret over this deplorable condition. I would welcome the return of that splendid era in the past when American money, skill, and courage spanned the seas

with American ships and carried our flag in triumph to every port, and if by any appropriate legislation this condition could again be created, I would cheerfully aid in such restoration. I am not willing, however, to pay the price demanded by the advocates of this bill. I am not willing that subsidies shall be paid directly out of the Treasury or paid under the guise of carrying the mails, as proposed in this legislation. If I could favor either plan, I would regard the direct method as less reprehensible than the indirect plan proposed.

The present law provides that no vessel is entitled to American registry and to sail under the American flag in our foreign trade unless such vessel or steamer was built in America. It is contended that we can not build steamers as cheaply as they can be built abroad, and therefore the advocates of this legislation ask for an appropriation to supply this deficiency to the owners of American shipyards. The object may be commendable, but the method is subversive of the basic and essential principles upon which our Government is founded. The moment we begin to appropriate money to aid or sustain any mere private industry, at that time we enter upon the most radical and dangerous policy which it would be possible to describe. [Applause.]

There is only one method by which we may restore our merchant marine and by which we may get South American trade from our European rivals, and that is to remove the cause which brought about the present conditions. Let us remove the commercial barricades which have been constructed around our country by the prohibitive Republican tariff. Unless we can both buy and sell and import and export upon equal terms with our competitors we can not hope to do a profitable business. Foreign trade is a matter of reciprocity in its best sense. We must buy as well as sell, and we must do both upon equal terms with our rivals. Our present boasted foreign trade as to our exports is made up, in the main, from shipments of our farm products, of our mineral and forest products, all of which we get from the soil, and only a small proportion comes from manufactured products. After pulling down the tariff barriers, then give our American merchants and manufacturers an opportunity to do their trading in free ships. These are the true remedies for the restoration of our merchant marine, and if they shall not prove ample, then any deficiency may be supplied by discriminating duties and favorable considerations extended to exports in American ships. [Applause.]

This bill will yet come before this House for consideration in one form or another. It is said that the leaders of the majority have promised this legislation. I respectfully warn Members against this subterfuge. Members who represent constituencies which hold to the cardinal doctrine that taxes can not be collected from the people and be appropriated except for public purposes can not support this legislation without violating what appears to me to be a plain and substantial duty. This is a subsidy bill. Let no one take to himself any hope or consolation to the contrary. [Applause.]

Mr. JOHNSON of South Carolina. Will the gentleman yield for interruption?

Mr. SMALL. Certainly.

Mr. JOHNSON of South Carolina. Is the provision in this bill the usual appropriation that we have passed heretofore?

Mr. SMALL. It is intended as a subsidy, and so admitted by the Second Assistant Postmaster-General in his argument before the House Post-Office Committee.

Mr. JOHNSON of South Carolina. Does this bill carry \$4,000,000?

Mr. SMALL. This bill will carry about \$4,000,000.

Mr. JOHNSON of South Carolina. In addition to what we have paid heretofore?

Mr. SMALL. I have not the figures before me as to the amount we are paying now. It is an addition of \$4,000,000 to that which we are paying, and for the admitted purpose not of carrying the mails, but as a subsidy to the merchant marine.

Mr. GARRETT. Do you mean it is in the post-office appropriation bill?

Mr. SMALL. Not in the post-office appropriation bill, but it is intended later to be brought before this House for consideration.

Mr. FINLEY. Mr. Chairman, for want of time I shall not attempt a close analysis of the post-office appropriation bill, now under consideration. Generally, I may say that the bill as it has been reported to the House by the Committee on the Post-Office and Post-Roads is less objectionable to the members of the committee than any similar bill presented during my service in Congress.

For the information of the country it may not be out of place to make some comparisons. In 1900 the total appropriations for the support of the postal service amounted to \$105,627,-

138.75. The present bill carries \$220,766,192. In my opinion, a number of items are too small in amount and others are too large. However, I am only one of eighteen members of the Committee on the Post-Office and Post-Roads, and it is a fact that close scrutiny was given by the committee to all items going to make up the bill.

This leads me to digress somewhat. It is commonly reported in the press and generally believed by a great majority of the people in this country that the Senate of the United States is a deliberative body and that the House of Representatives is not. I am not one of those who indorse the rules of the House which give to the Speaker and his three Republican colleagues on the Committee on Rules the absolute government and control of the House. I do not propose, however, to discuss at present this phase of the question.

Revenue bills, under the Constitution of the United States, must originate in the House of Representatives. Custom and practice has brought it about that all appropriation bills shall also originate in the House of Representatives. The Senate consists of 92 members; the House of 391. It is evident without argument that in the House of Representatives there is less than one-fourth of the time for debate by the Members individually than there is in the Senate, and then, when it is considered that the appropriation bills, amounting to nearly a billion of dollars at each session of Congress, originate in the House, are prepared in the various committees of the House, hearings are had, the items going to make up the same carefully scrutinized, and full reports are made showing the necessity for the appropriation—consider this work in connection with the consideration given to appropriation bills in the Senate, and the conclusion is easy that the time of the House is largely taken up in the preparation and consideration of appropriation bills, and it is patent to all who wish to know that the Senate gives no such consideration to appropriation bills in the matter of preparation or time.

The time has been when the Senate of the United States passed seven great appropriation bills in one day, and it is sometimes the case that the post-office appropriation bill is reported to the Senate after short consideration, so that it is true that in matters of appropriation the House of Representatives gives the closest attention, analysis, and consideration to all bills and that the Senate does not.

If I may be permitted, I will say that this is as it should be. The Members of the House are elected directly by the people, and it is proper that the House of Representatives should hold the purse strings of the nation. It follows that in general legislation, the enactment of new laws outside of appropriation bills, the Senate has infinitely more time and is able to give larger consideration to all such legislation than is the House of Representatives.

I am constrained to make these remarks for the reason that many uninformed people do not understand or do not care to know why it is that equal time and the same consideration is not given to matters of general and permanent legislation in the House that is given to bills of this character in the Senate of the United States. I am unwilling that the House of Representatives shall be criticised without a statement at least of conditions leading to this state of facts.

To illustrate, three months of the present session of Congress have passed. At the beginning of the present session the reports of the Post-Office Department and the Secretary of the Treasury were available to members of the Post-Office Committee, and it was necessary that they study these reports before entering upon the long and tedious labor of preparing the Post-Office appropriation bill. Since Congress convened after the holidays, two months ago, the various subcommittees of the Post-Office Committee, and particularly subcommittee No. 1 having in charge the preparation of the bill under consideration, have until the past few days been in almost daily session; that is to say, the members of this subcommittee have practically speaking been three months in the preparation of this bill. It is evident to all that during these three months the eight members composing subcommittee No. 1 of the Post-Office Committee have had time for no other work. As this is true of the Post-Office Committee, it is also largely true of many other committees, such as the Committee on Appropriations, the Committee on Naval Affairs, the Committee on Military Affairs, and many other committees I might name. The time of the members on these committees is taken up in this way.

With apologies for this digression, I will now proceed to discuss some items of appropriation in the bill under consideration. It is my opinion that there is appropriated for the screen-wagon service at least \$150,000 more than is necessary. This is brought about by placing the underground electric-car service in the city of Chicago under this head. The pneumatic-



tube service unquestionably costs more than the good of the postal service demands. The same is true of the appropriation for star-route service. Eight years ago in the Congressional district I represent, consisting of seven counties and with an area of more than 4,500 square miles, there was the star-route service and the country post-offices. In the past six or seven years the district has been practically covered by rural-delivery service, and where there were approximately 200 post-offices there are now 95. Where there were scores of star routes in the district, to-day there are only 10. This should be the case throughout the country generally where the rural-delivery service has been extended. To my mind this service will never be brought to a proper basis until both star-route and rural-route services are placed under the same bureau. As it is to-day the Fourth Assistant Postmaster-General has control of the rural-delivery service; the Second Assistant Postmaster-General has control of the star-route service. Both should be under one management. The Second Assistant's office would have enough to do without having anything to do with the star-route service. At no distant day I hope to see this branch of the postal service transferred to the office of the Fourth Assistant Postmaster-General.

I do not make these remarks by way of criticism of the Second Assistant Postmaster-General's office. It is, however, impossible to properly manage and control the expenditures in the matter of star-route service so long as the same is under a different jurisdiction to that of rural-delivery service.

In the last Congress a law was enacted and provision was made for increasing the salaries of postal employees by nearly \$13,000,000. Railway mail clerks were given an increase of \$100, rural carriers on standard routes \$180, clerks and carriers in first and second class post-offices were given classification and automatic promotion up to \$1,000 in second-class offices and \$1,100 in first-class offices, based alone on one year's service and efficiency of service in the next lower grade.

There is one matter, however, in connection with this that I am not satisfied with, and it is this: That up to this time the Post-Office Department has formulated no rules or regulations as to what standard of service shall constitute efficiency of service. The practice at present is to take the statement of the postmaster at first and second class post-offices as to whether or not the clerk or carrier in his office has made good from a standpoint of efficiency. Now, the clerks and carriers are under civil-service law. The postmaster is usually, and I might say almost without exception, a politician, so that we have this abominable condition, that a politician who happens to be postmaster passes upon the record of post-office employees, clerk and carrier, and as a general rule there is no appeal. However, there is some hope that this condition will be remedied before a great while, the sooner the better, in my judgment.

Mr. JOHNSON of South Carolina. After the election, I suppose?

Mr. FINLEY. I do not know when it will be done, but I have the promise of a gentleman high up in the postal service that this will be done.

Mr. GOULDEN. Will the gentleman yield for a question?

Mr. FINLEY. Certainly.

Mr. GOULDEN. Upon what line does the gentleman recommend a change to be made in order to bring about the reform that he speaks of, namely, the promotion of clerks for efficiency, so as to do even and exact justice to all?

Mr. FINLEY. I would have the Department make rules and regulations defining the standard of efficiency in the postal service for clerks and employees who are under civil-service law. That can be done. And most assuredly I would give the clerks and employees the right of appeal in every case where they claimed that an injustice had been done. Rules and regulations can be formulated that will govern this matter properly.

One other matter that has provoked discussion and some criticism is that the law does not provide automatic promotion for clerks and carriers in the second-class offices in the \$1,000 grade, nor in the first-class offices in the \$1,100 grade. Under the law and practice Congress makes or does not make a lump-sum appropriation for the promotion of postal employees in these grades. Of course there is always contention as to how many and what per cent of employees in these grades should be promoted each year.

Provision is made in the pending bill for the promotion of about 15 per cent of the clerks in the \$1,100 grade, a percentage too small in my judgment. And why should the \$1,000 grade in second-class post-offices be discriminated against?

I know of a first-class post-office where a cashier is needed, where in addition to the business of the office nearly 700 rural carriers' pay certificates are handled, and there is not in this

office a single employee of the rank and pay of cashier, and I doubt very much whether in the distribution of the small appropriation provided for in the bill that this office will receive consideration.

Continuing along this line, I am convinced that the amount provided for clerical assistance to third-class post-offices where the salary is less than \$1,600 is insufficient. The law provides that at third-class offices where the salary is \$1,000, \$1,100, and \$1,200 per annum there may be an allowance for clerical assistance to the amount of \$200, and where the salary is \$1,300, \$1,400, and \$1,500 an allowance of \$300; where the salary is \$1,600 and \$1,700 an allowance of \$400; where the salary is \$1,800 and \$1,900 an allowance of \$500 each year.

Under the pending bill, where the salary is \$1,600, \$1,700, \$1,800, and \$1,900, provision is made for an allowance for clerical assistance approximating 92 per cent of the maximum allowance, and where the salary is less than \$1,600 the amount appropriated will only give something like 60 per cent of the maximum permitted by law. I believe it would be for the good of the service to increase these amounts to the maximum.

I am in doubt as to whether or not a sufficient sum is provided for the rural-delivery service during the next fiscal year. I shall not go into an extended discussion of the merits of rural delivery. My views and opinions have undergone no change. Since I have been in Congress I have seen this appropriation grow from something like \$350,000 annually to more than \$35,000,000 in the pending bill. I am firmly convinced that this is the best investment the United States Government has ever made. [Applause.]

Mr. CRAWFORD. Will the gentleman yield for an inquiry?

Mr. FINLEY. Yes.

Mr. CRAWFORD. Has not the gentleman heard complaints from the substitution of rural-delivery routes for star routes where the post-office has been abolished?

Mr. FINLEY. No doubt such complaints have been made, but they have not come directly to the committee. Something was said about them in a recent hearing.

Mr. CRAWFORD. Has not the gentleman found that a good deal of confusion has resulted to the people from the substitution of the rural delivery for the star routes?

Mr. FINLEY. I will say to the gentleman that my experience is—I do not know that it tallies with the experience of others—that when a district has adopted the rural free-delivery service, where the star route was in existence, and also the country post-office, it was bad policy to plaster the rural delivery on top of the star-route service. I have found it bad policy to have a rural free-delivery route and the star-route service and the country post-office together. The people should decide for themselves which they wish. Under the ruling of the Department they can decide it for themselves.

Mr. CRAWFORD. What I mean is, where a post-office is known to you in your district and the star-route service has been discontinued by the establishment of the rural free-delivery route and the post-office on the star route has been abolished, you do not know where the mail is routed from. Why should it not be for the agent to route it and not disturb the post-office?

Mr. FINLEY. In some districts that trouble might arise.

Mr. CRAWFORD. But the gentleman's experience might not be the experience of people generally.

Mr. FINLEY. I understand that perfectly well, but there surely can be no long-continued trouble on that score. There might be some trouble at first, but it would be of short duration.

Mr. GAINES of Tennessee. May I make an inquiry of the gentleman?

Mr. FINLEY. Certainly.

Mr. GAINES of Tennessee. The gentleman remembers that back in 1902 the rural carriers were allowed to carry express packages; that in 1902 we limited the right in this language:

The carrier shall be permitted to do an express package business, provided it does not interfere with official duties.

And in a later act, which the gentleman helped to make as well as myself, it was provided:

Such carriers may carry merchandise for hire upon the request of the patrons residing on their respective routes whenever the same shall not interfere with the proper discharge of their official duties.

Mr. FINLEY. I am always delighted to be interrupted by the gentleman from Tennessee, but I beg to say to him that I have only a very few minutes.

Mr. GAINES of Tennessee. I am sorry, but I know the gentleman can explain this. The Department now limits that to those parties who live on the route. A party, for instance, residing in Nashville, wants to send out a Christmas present to a person on this route. He can not do it, but the person on the route can do it. Now, we can increase the salaries by making that more liberal.

Mr. FINLEY. I call the attention of the gentleman from Tennessee to the fact that that would inaugurate a general parcels-post system.

Mr. GAINES of Tennessee. Not necessarily; we could limit it. The whole thing is a creature of statute.

Mr. FINLEY. So it is. I want to say that I am heartily in favor of a parcels-post system on rural-delivery routes.

But I stated a moment ago that I had some doubts as to whether or not the appropriation provided in this bill is large enough. The Department, under existing law and appropriation made at the last session of Congress, proposes to install during the present year 1,500 rural routes. Provision must be made in the pending bill to pay the salaries of these carriers during the next fiscal year. The estimate is that \$1,293,000 will be required for this purpose. The estimates of the Department also provide to inaugurate new service on 1,500 routes during the ensuing fiscal year, and that \$700,375 will be necessary to pay the salaries of the carriers on rural routes installed during the next fiscal year. The Department also estimates to pay substitutes for 39,200 carriers on vacation during the next fiscal year that \$1,352,100 will be necessary, and for clerks in charge of rural-delivery service \$12,000, and tolls and ferryage \$15,000. On this basis \$35,872,693 will be necessary to support the rural-delivery service during the next fiscal year. The pending bill only provides \$35,373,000. During the past fiscal year the rural carriers, to some extent, neglected to take advantage of the fifteen days' vacation, thereby saving to the Government on this item alone \$187,313. During the present fiscal year the rural carriers have taken their vacation to an amount equal to \$870,000 in the eight months of the fiscal year that has gone by, leaving only \$484,000 for the four months of the year unexpired. This shows conclusively that practically no saving can be expected on account of carriers not taking their vacation during the present and next fiscal year.

One other consideration. The amount carried in the bill does not contemplate the establishment of 1,500 rural routes this fiscal year or during the next fiscal year. The argument is made that during the present fiscal year the average has not been as much as 125 routes per month. I call the attention of the House to the fact that four months of the time past during the present fiscal year—November, December, January, and February—the weather has been inclement and the roads throughout the country generally in bad condition. On March 2, 166 routes were installed, and my recollection is that 132 routes are ordered installed April 1, and I am satisfied a larger number will be installed during the remaining months of the fiscal year, so that the average will be at least 125 routes per month. The Department may inaugurate 1,650 routes during the present year.

I did not have the time to give this matter close consideration in the committee room, for the reason that during the last few days the post-office bill was under consideration before the Post-Office Committee of the House I was absent in South Carolina attending the funeral of the late Senator Latimer. I do not wish any unnecessary appropriation for the support of the rural delivery or any other branch of the postal service. I am satisfied, however, that the figures given are correct.

There has been a great deal of agitation throughout the country in reference to parcels post on rural routes. I have advocated this proposition as strenuously as I could elsewhere. I did what I could to secure favorable action in the way of amendment to the present law by amending the bill, on page 52, after the word "year," on line 4, by adding the following:

That beginning July 1, 1908, there shall be a parcels post, limited to 12 pounds, on every rural route in the United States. Said parcels post shall be confined exclusively to the rural route upon which the parcel originated and its rural-route connections, and shall not extend beyond said route upon which its originates and routes with which said route connects directly without the intervention of railway mail service, star route, messenger, or any other form of mail service.

That the rate of postage on such packages shall be 5 cents for packages weighing not more than 3 pounds, 7 cents for packages weighing not more than 5 pounds, 10 cents for packages weighing more than 5 and not more than 8 pounds, and 15 cents for all packages weighing more than 8 and not more than 12 pounds, and the money received for this service shall be paid to the rural carrier performing the service of carrying the parcels or packages.

My amendment embodies the bill of Judge Griggs, of Georgia, with an amendment giving the rural carriers the fees received.

This amendment of the general law is necessary for the convenience and accommodation of people living on rural routes. The service will cost the Government nothing and will give to the rural carriers who perform this service the compensation paid by the sender of a package or parcel. I have advocated the measure heartily and regret that the Post-Office Committee has not seen fit to favorably report the same.

There is one class of public servants who are entitled to more

compensation at the hands of the Government than they at present receive. I refer to fourth-class postmasters. This numerous class of public servants are overworked and underpaid. I hope to see legislation enacted in their interest at an early date. In the event this is not done the failure to do so can be charged up to the majority.

Mr. GILL. Will the gentleman allow me to ask him a question?

Mr. FINLEY. Yes.

Mr. GILL. The gentleman stated just now that he was in favor of the rural parcel-delivery system.

Mr. FINLEY. Yes.

Mr. GILL. Has he any objection to stating why he would not extend that to the cities as well as to the rural districts?

Mr. FINLEY. I will say this to the gentleman in answer to his question: That if you should extend this system to the cities you would have to double the letter-carrier force in every city in this country, and I do not think there is the necessity for this service in the cities that there is in the country on the rural routes.

Mr. GILL. I would ask the gentleman if he is familiar with the number of carriers that are utilized, for instance, in the city of London, and whether they have there double the number at the present time that there is in New York, in proportion to population?

Mr. FINLEY. Yes.

Mr. GILL. They have the system there, and why could they not have it in New York?

Mr. FINLEY. I will say to the gentleman that they have no such well-paid or efficient mail service in London as we have in the city of New York.

Mr. BENNET of New York. Will the gentleman yield?

Mr. FINLEY. Yes.

Mr. BENNET of New York. I want to ask the gentleman if he does not recall that they have more daily carrier deliveries in London than they have in New York City?

Mr. FINLEY. Oh, I have heard that statement made often; but they have all they wish in New York City—up to eleven a day.

Mr. GOULDEN. And thoroughly efficient.

Mr. FINLEY. Yes; the most efficient in the world.

Mr. Chairman, on last Tuesday my colleague on the committee [Mr. GOEBEL] made an earnest plea for ship subsidy. He stated that House bill 4068, to amend the act of March 3, 1891, entitled "An act to provide ocean mail service between the United States and foreign ports, and to provide commerce," had been referred to Subcommittee No. 4, of which he has the honor to be chairman, and that this bill has been favorably reported by Subcommittee No. 4 to the full committee. The Post-Office Committee, however, has taken no action in reference to this bill. I assume that the reason why Judge GOEBEL has not called up this bill before the full Committee on the Post-Office and Post-Roads is that he is aware of the fact that an unfavorable report was likely. Under ordinary circumstances I should not discuss the proposed bill. The provisions embodied in said bill are not carried in the post-office appropriation bill now under consideration, but since the chairman of Subcommittee No. 4 of the Post-Office Committee has seen fit to argue the proposition at length in the discussion of this bill, I think something should be said on the other side of the question.

It is sought by the proposed bill to so change the law as to saddle the postal service with the burden of ship subsidy. The purpose and the only purpose of the postal service should be to carry the mail, and I believe that the postal service should be maintained strictly within these limits. From any standpoint, why should this service be loaded down with the burden and expense of service other than for this purpose? We have an ocean mail service at present, but it is, strictly speaking, a mail service. Not only is this true, but it is a profitable mail service, and this proves the scope of the service beyond cavil. The proposed change in the law is nothing more nor less than the old ship subsidy bill revised, revamped, and put in shape to be attached to the postal service, and, if possible, without alarming the public.

The ship-subsidy proposition has for its main purpose the extension and building up of the American merchant marine, providing ships in which to carry American products to foreign countries and to provide an auxiliary fleet of cruisers and colliers to the American Navy in time of war. Now, the present ocean mail service that we have is strictly for carrying the mail, and results in a profit, whereas the proposed law contemplates building up a merchant marine at an estimated annual expense under bill H. R. 4068 of about three and a half million dollars. Not only is the purpose of the bill to build up



the merchant marine, but it is also intended to increase the naval strength of the United States by providing transports in time of war, and, as I have stated, all of this at the expense of the postal service.

If the Republican party wishes to be fair, and unless it is proposed to deceive the country into the belief that the proposed bill is in the interest of the postal service, when, as a matter of fact, it is not, why does the Administration in the White House and in Congress not come forward with a proposition as was done years ago for a ship subsidy pure and simple, with its purposes and objects clearly stated and unequivocally avowed.

In the nine years that I have been in Congress I have heard many speeches on bills to give the country a ship subsidy. I remember distinctly the efforts of that distinguished, stand-pat, able, and fearless Republican, Gen. Charles H. Grosvenor, of Ohio. He is a Republican without guile and the strongest advocate of ship subsidy I have any knowledge of. During his twenty years of service here, and in recent years when he was chairman of the Committee on the Merchant Marine and Fisheries, he did his utmost to secure favorable action by Congress for this proposition. He did it, however, in a plain, straightforward, open, fighting sort of way. He plainly stated the purposes of the various bills introduced and advocated by him to build up the American merchant marine, and at no time to my recollection did he ever resort to the present method, which I regard as a cowardly subterfuge in endeavoring to saddle the postal service with this expense.

We all know, or at least those who know anything about the postal service are well aware, that whenever any unnecessary burden is imposed on the postal service that you cripple the service in more ways than one. That, among other things, you make it impossible or difficult to accomplish at least the extension of the postal service, the inauguration of new and up-to-date innovations for the good of the service, and particularly it is true that whenever action like this is taken the postal employees suffer, for the reason that consideration of their claims for reasonable compensation is necessarily postponed.

The ship-subsidy proposition is nothing more nor less than an effort to apply the protective-tariff theory of stand-pat Republicans to the ocean carrying trade of the United States. The domestic carrying trade of the United States on the Great Lakes and rivers and between the ports of the United States is absolutely protected. This is a local matter and American shipowners have no competition with foreigners, but in the ocean carrying trade the American shipowner comes in competition with the foreign shipowner. So it is that he must compete with the shipowners of England, Belgium, Germany, France, Japan, and other nations. The American shipowner claims that in this trade he can not compete with the shipowners of other nations on account of the protective tariff of this country. I am prepared to admit this proposition. A ship costing \$1,000,000, built in England, Japan, or elsewhere, will, on account of the Dingley tariff law of this country, cost from one and a half to two million dollars here. The ship-subsidy proposition proposes to give to the American shipowner a bonus or subsidy out of the Treasury of the United States to make up the difference—that is, to pay to him at least a fair return on the cost of approximately one-half the price of his vessel. A real remedy would be to reform the Dingley tariff law. It is claimed that at one time over 90 per cent of the American ocean trade was carried in American bottoms, and to-day less than 10 per cent is carried. This statement is also true. When practically all of the American ocean carrying trade was in American bottoms, this country had a reasonable tariff law for revenue.

To-day this country has a most unreasonable and unjust tariff law for the purposes of protection, and results in enriching the few at the expense of the masses. Under the present tariff law of the United States a ship-subsidy law which would restore the American merchant marine would cost the Treasury of the United States anywhere from \$80,000,000 to \$90,000,000 annually. This money would be contributed by all of the people and be paid out as a bonus or subsidy to a few shipowners. I am opposed to the ship-subsidy proposition in every form. To my mind the proposition is indefensible from every view point. It means nothing more nor less than that where a business is unprofitable on account of the protective tariff that parties engaged in this unprofitable business shall be authorized to go to the Treasury of the United States and receive enough money to make their unprofitable business profitable, in utter violation of Jefferson's definition of democracy, "equal rights to all; special privileges to none." The fact that it costs twice as much, prac-

tically speaking, to build a ship in this country as it does in England or continental Europe is the reason for this onslaught on the Treasury of the United States.

Why the bill discussed by my colleagues should be sent to the Post-Office Committee I am unable to understand.

When General Grosvenor, of Ohio, that simon-pure, rock-ribbed, fearless Republican entered into a discussion of this proposition, or any other proposition of interest to the Republican party, he made his fight, as I have stated, openly and aboveboard and without resorting to a subterfuge, as is the case with bill 4068.

In former Congresses, even when the Republican majority exceeded 100, the ship-subsidy proposition was either pigeon-holed or was permitted to die. At any rate it was never passed. The present advocates, with their former defeats staring them in the face, being apprised of the fact that in all probability a large number of the Republicans in this Congress, as in other Congresses, would rebel and refuse to vote for ship subsidy unless the same was labeled some other name, have resorted, in my opinion, to what is an indefensible and cowardly subterfuge to accomplish the same purpose. Bill 4068 gives to ships engaged in ocean mail service \$4 per mile, where the same ships under the existing law are only entitled to \$2 per mile on outward trips. There has been a studied effort at covering up the real purposes of the bill, but in the hearings before subcommittee No. 4, of which I am a member, it was made evident that the real purpose of the bill was to build up a merchant marine and provide an auxiliary fleet to the Navy. The mail service which it is proposed to supersede under the provisions of the bill mentioned only costs annually \$188,000, and the expense under the bill mentioned will amount approximately to \$3,600,000, and perhaps a great deal more.

House bill 4068 has not been brought for consideration before the full Committee on the Post-Office and Post-Roads. There are at least four Republican Members on the full committee who, on former occasions, as I remember, when the ship-subsidy bill was before the House as a separate proposition, voted against the same. I hope that they have not changed their views, and that the reason why this most iniquitous measure has not been brought before the full committee is that it is not believed that favorable action can be had. No Democrat, in my opinion, can or will vote for the bill. [Applause on the Democratic side.]

No Republican who is opposed to special privileges, to taking money out of the United States Treasury in order to make a private business profitable which is now unprofitable, can possibly vote for the bill. [Applause on the Democratic side.] No man, in my opinion, who has at heart the good of the postal service can possibly give favorable consideration to this proposition. It is unsound as an economic question to saddle the postal service with the burden of ship subsidy. Every man who so votes will be compelled to answer that question to the people. If the Administration—Republican party, if you please—is determined to pass a ship-subsidy bill, why not come out in the open, make their fight in the House and Senate, and go before the country with a declaration of their principles and cupidity, holding to the proposition that it is necessary to grant special privileges to American shipowners and to give them a very large appropriation out of the Treasury of the United States at the expense of the whole people?

I have not a great deal of fear that the House will favorably consider the bill mentioned, and I would not mention the same in this discussion but for the fact that the gentleman from Ohio, chairman of subcommittee No. 4, having the bill under consideration, and a member of the Post-Office Committee, has discussed the measure fully. Can there be any doubt that the main purpose of the bill is not for the good of the postal service?

Hon. James T. McCleary, Second Assistant Postmaster-General, and for many years a distinguished Member of this House, and who is also a tariff reformer of a very high order, differing from most tariff reformers in this, however, that he believes that the tariff should be reformed upward and made as high as it is possible to make it. And in this connection I wish to digress long enough to state that he is one Republican who is honest, open, and speaks his sentiments on all occasions. In the hearings before subcommittee No. 4 of the Post-Office Committee, in advocating the passage of the ship-subsidy bill mentioned, he stated this as one of his reasons:

That the Union was formed for one reason, fundamentally, and that was for the common defense; all other reasons are secondary. Peace is our normal condition; we love it—but we must not forget that we are liable to have war. \* \* \* Now, all this is preparatory to what I want to say. We must provide for the common defense; that is a national duty. How can we do it? \* \* \* We must have two kinds of forces, land forces and ocean forces. We depend upon our citizen soldier for our reserve. \* \* \* On the sea we must have

the same general policy; we must have a proficient force; we must have fighting ships of the very best quality. In addition to the fighting force we must have what I will call (I do not know that I use the technical language) "an auxiliary force" of scouts and colliers and hospital ships and supply ships and all of those things. Here is the problem with which we are face to face. How shall the Government secure that auxiliary naval force at a maximum of efficiency and a minimum of cost?

Speaking of providing ships for this service, General McCleary stated:

It is a legitimate public expense which the Committee on Appropriations could properly appropriate for directly out of the United States Treasury as the cheapest way of accomplishing a great result.

It will be borne in mind that the proposed bill involves an outlay of something like \$3,600,000, where the outlay at present is only \$188,000.

In the hearing General McCleary was asked this question:

Mr. FINLEY. Taking your statement as you have made it, have you not argued this committee out of jurisdiction?

Mr. McCLEARY. No; because you have jurisdiction of the postal offices and this furnishes means with which to accomplish the result.

Mr. FINLEY. But would not a bill to accomplish the purposes you have stated properly go before the Committee on Merchant Marine and Fisheries?

Mr. McCLEARY. No; I should think that if it were to go anywhere else than here it would go to the Committee on Naval Affairs.

Mr. FINLEY. That was the thought that struck me when you were making your statement.

There can be no question of the purposes of the bill H. R. 4068, and the intent of the promoters of the bill. It is simply to saddle the expense of ship subsidy on the postal service.

This country is great in every way. Particularly in its citizenship, accomplishment, material wealth, and, I may add, in appropriations generally for the support of the Government, and particularly for the support of the postal service. Its material wealth amounts approximately to one-quarter of the wealth of the world, and, as I remember, our expenditures for postal facilities amount to more than 30 per cent of the total expenditures for this purpose by all the nations of the earth.

I am not a pessimist. I have faith in the people and believe that the progress and development of the country is best assured by the showing made by the postal service. The receipts from this source are the surest indications and constitute the very best business barometer to be had. Receipts and expenditures in the postal service have practically doubled within the past nine years. Nine years ago receipts amounted to a little more than \$102,000,000. The recommendations of the Post-Office Department have not been carried out by the Post-Office Committee in the preparation of the bill under consideration by something like \$9,000,000. The reason given for this generally by the majority of the committee was that we have a panic on and that there will necessarily be a falling off in revenues and in demand for increased service. This falling off has not amounted to much as yet.

In all of my experience in Congress—nine years—this is the first time I have heard Republicans cry panic. The only song I have heard from them heretofore is that panic and Republican rule do not go together; that a Republican Administration means prosperity of a high order and continuous duration. Often I have heard my friends on the other side of the aisle tell of the hard times under the second Cleveland Administration, and then in grand peroration exclaim that Democratic rule must of necessity result in panic. I remember particularly the tale of woe told by one of my Republican friends as to how during Cleveland's last Administration he was compelled by the stress of the times to eat clams—to eat them and to eat them to such an extent that his stomach rose and fell with the tides. I would like to know what diet he has been regaling himself on during the past six months. [Laughter and applause on the Democratic side.] I should say that it is about clam time again. One thing is certain, the Republican Members of this body no longer sing of prosperity caused by the Republican party being in power. Republicans now claim that panics, like death and taxes, must come.

At any rate, we have a panic, the most far-reaching that some sections of this country have as yet experienced. I may say, however, in passing that this Republican panic has not affected the postal revenues, as it otherwise might, for the reason that there is no real cause for panic. It comes at a time of profound peace, when the country was never more prosperous in its fields, mines, and industries. It comes at a time when there was never so much money in the country—in fact, when the circulation per capita is greater than ever in the history of this country. It comes at a time when the stock of gold in this country exceeds a billion of dollars. It is a panic brought on by reason of the distrust with which the masses of the people in this country have come to regard the Government, and they regard it with distrust, high and low, rich and poor, because the Government is in the hands of the Republican party.

The panic of 1891 to 1897 was widespread. The present panic is only as wide as the rule of the Republican party and only extends where the blighting effects of that misrule reaches. I go one step further and state that this Republican panic, confined principally to this country, has been more severe and more disastrous in its consequences in those States where the Republican party is in power. We felt it to some extent in my State, but not a bank closed its doors; not a single failure resulted in South Carolina to my knowledge on account of it. It has come about that on account of the policies and practices of the Republican party, including the close connection between the Government and special interests, the people are in a condition of panic. That is, they have lost confidence in the Republican party. There will be an end to this. In November next the people will have a say. Republican orators and politicians may disclaim responsibility for the panic, but the fact is the panic is on. You claim that the way to end this panic is to reelect your party to power. I tell you that the people of this country are not fools. The panic being caused by misgovernment on the part of your party, how can the people expect to better conditions by giving the Republican party a new lease of power? Puffed up with success and pride of power, you have in the past called attention to the soup houses, workmen without work, and distressed conditions generally during the last Democratic Administration. It is with sorrow for the condition of the laboring classes and poor people in the great industrial centers that I call attention to the fact that there are probably 1,500,000 people out of permanent employment to-day, all on account of your panic. In the great cities in this country during the present winter thousands have been fed by the hand of charity.

Confidence will be restored, but it will not be until the people have had their say in November. [Applause on the Democratic side.]

Mr. SHERWOOD. And what about the full dinner pail?

Mr. FINLEY. Mr. Chairman, the full dinner pail song has served its purpose. I do not think that in this year of grace we will hear any song of that tenor. What the song will be I do not know, I can not surmise, but I will say this, that the Republican politicians are—to my mind—about the smartest on the face of the earth [laughter], and they will sing a song that will suit if they can find one. What it will be generally I do not know, but I am satisfied of this, that no matter what their song is, not matter what pretense they give for the Republican panic that is now on, the people will answer them not with applause, but with an emphatic declaration at the ballot box restoring this Government again to the hands of the Democratic party, the party of the people, the party that will administer this Government in the interest of all the people. [Prolonged applause on the Democratic side.]

Mr. OVERSTREET. Mr. Chairman, I yield to the gentleman from Ohio [Mr. BANNON].

Mr. BANNON. Mr. Chairman, all of the Democrats and some Republicans now contend that our tariff schedules ought to be revised. Many public men high in the councils of the nation are now advocating tariff revision and have been for some time pressing it as an issue. Others have opposed their views. Accordingly this question of protection has now entered the arena of agitation, and its friends must come prepared to combat with its enemies.

Protection is not a local issue, but is a great national question, and the individual who considers it purely from a local standpoint is like a man attempting, from some lofty mountain top, to view the beauty and grandeur of the scenery about him through the wrong end of a spyglass. The lens at his eye dwarfs his view. As protectionists we must not take any such view as that of the question, but must study it in all its ramifications and in all its relations, not only to ourselves but to the wage-earners and factories of the East and North and to the farmers and miners of the South and West. The free trader of the South objects to the principle of protection because his community is an agricultural one and because, as he claims, a tariff is a system of taxing the farmer for the benefit of the manufacturer. Out in Ohio our farmers take a different view of this question, and their contention is that this great system is so connected with all the business of the country and all of the sections of the country that it is a great benefit to all, and that when the industries of the North and East are running on full time and the wage-earners therein employed are paid good wages the products of the farm are in greater demand and bring better prices. That great protectionist, Blaine, clearly stated the proposition when he said:

The Western farmer's instinct is wiser than Mr. Gladstone's philosophy. The farmer knows that the larger the home market the better are his prices, and that as the home market is narrowed his prices fall.



And, accordingly, as long as Congress, in preparing this revenue and protective measure, deals fairly with the manufacturer, the wage-earner, and the farmer it will receive the earnest support of the agricultural interests. The farmer is the great producer of raw material. All wealth must come from the soil—it is the very foundation upon which the entire superstructure is erected and upon which it must stand.

This country is irrevocably committed to the principle of protection, and if those clamoring most for revision would only consider that such is the settled policy of the country the question of revision would be approached with less danger to the business of the country.

Massachusetts is a great manufacturing State, and naturally many of its manufacturers urge free raw material for consumption in their industries. But the farmer and the mine owner who produce this free raw material have their rights. Their interests are large, and, where possible, compensatory duties for their protection should always be levied. Statistics show that industries using agricultural materials employ 37 per cent of all the persons engaged in manufacture, and that the capital of these industries is 42 per cent of the capital of all manufacturing establishments. One of the free raw materials persistently asked for, especially by the shoe interests of Massachusetts and some other States, is cattle hides; and it is my purpose to-day to discuss in some detail that question with you.

As near as I can analyze the situation, there are in Congress three contending forces on this question: Representatives from districts where there are large manufactures of leather goods and very little agriculture want free cattle hides, but a high duty on the output of their factories; Representatives from Southern States wish to remove the duty from both the manufactures of leather and the raw material from which this product is made, and Representatives from those districts which embrace agricultural or both agricultural and manufacturing interests favor a retention of the duty on the raw material and the retention of the duty on the manufactured product as well—the former to be a compensation for the latter.

I am one of those who contend that we should protect the factories and the wage-earners engaged in the manufacture of leather goods and also the farmer who is engaged in the production of the raw material consumed in those factories.

In the Fifty-ninth Congress there was a very significant colloquy between the gentleman from Missouri [Mr. CLARK] and a distinguished Representative from Massachusetts [Mr. GARDNER]. It is so interesting and so clearly states the proposition that I will read it:

Mr. GARDNER. Will the gentleman from Missouri support a proposition for free hides coupled with a proposition to take the duty off the products of leather?

Mr. CLARK. So quick that it would make your head swim.

Mr. GARDNER. At all events, then, we have a valuable ally.

Mr. CLARK. You have got me right now on that. Senator LODGE, as I understand it, advocates repealing the tariff on hides, because "it is such a little one," two million and something. Now, if they will go the whole hog up there and remove the tariff on boots, shoes, and leather, we can come to an agreement and pass it through this House.

It will be observed that the gentleman from Massachusetts did not commit himself or his constituency to the proposition offered by the gentleman from Missouri, and, so far as I know, no person has been authorized on behalf of the manufacturers and wage-earners to accept the latter's proposition.

In the same Congress similar questions and answers passed between Senators from Massachusetts and Wyoming:

Mr. LODGE. Suppose the duty on boots and shoes were removed, would the cattle raisers, the farmers, who are interested in the duty on hides, then consent to a removal of the duty on hides?

Mr. WARREN. The farmers and stockmen, in my opinion, are not seeking for a removal of the tariff on leather or on boots and shoes; they stand for that tariff as well as for the tariff on hides.

Mr. LODGE. The Senator from Wyoming spoke of that as a compensating duty, which, of course, it is.

Mr. WARREN. I maintain that, of course.

Mr. LODGE. What I wanted to get at was whether the Senator felt that if one tariff was removed the other should also be removed?

Mr. WARREN. I intend to come to that, Mr. President, but I will now answer the Senator from Massachusetts in a word, by saying that I do not believe in removing either one. But if the tariff on hides is removed we must, as a matter of course, remove the tariff on leather and boots and shoes. This would be only simple justice.

The Senator from Massachusetts is too faithful to the grand old Commonwealth of Massachusetts and this nation to commit her people to such a programme.

The gentleman from Mississippi [Mr. WILLIAMS] also stated the same view in the following language:

"We are, therefore, not willing to put hides upon the free list to enrich your boot and shoe manufacturers unless you, speaking for your boot and shoe manufacturers, will agree at the same time to reduce the duties upon the finished product, so that the women and children of the South and West may buy shoes cheaper."

The Texas Stockman and Farmer for January 25, 1905, speaks in a similar vein when it says:

Resolutions demanding of Congress immediate repeal of the 15 per cent duty on hides were unanimously passed last week at the annual meeting of the New England Shoe and Leather Association. The Stockman and Farmer desires to say to the Shoe and Leather Association of the New England States, and to the manufacturers of those States generally, that the people of the West and Southwest will see to it that the import duty on hides, wool, and pelts will never be removed unless the import duty also comes off of all goods manufactured from these products.

I am opposed to the proposition for three reasons: First, it would deprive the farmer of a duty in his behalf; second, it would prove disastrous to the great industry of manufacturing products from leather in this country; and, third, it would throw thousands of wage-earners out of employment and materially reduce the wages of those few who would remain at work in this industry.

The farmer is the greatest consumer of leather in this country. He wears out more shoes, more harness, and more saddlery than any other class of our citizens. He produces the raw material from which these leather articles are made, and a tariff of 15 per cent ad valorem is levied for his protection upon the cattle hides imported into this country. The only hides upon which a tariff is levied are the hides of cattle, and a cattle hide is one which when green and salted weighs more than 25 pounds, or dry weighs more than 12 pounds. All weighing less are denominated as calfskins. Horsehides, goat, sheep, kangaroo, and calfskins are all admitted free of duty, and the reports of the customs-houses show that in value three-fourths of the hides now imported are admitted free of duty, and that a tariff of only 15 per cent is paid on but one-fourth of the quantity now imported. This tariff not only protects the farmer but it yields a large sum in revenue for the support of the Government, the amount being two and a half or three million dollars annually. From 1842 until 1873 a duty was levied on cattle hides varying from 4 to 10 per cent, but in 1873 this duty was removed and they were admitted free until 1897, at which time the present tariff of 15 per cent was levied.

It is often asserted that the farmer does not get the benefit of the compensatory tariff on hides but that the beef packers are the beneficiaries. If hides were an unimportant, insignificant by-product of but little value this would probably be true. But they are not. It has been admitted, and every farmer knows, that the value of the hide is equal to one-fifth of the value of the animal. The hide from a steer selling in the market at \$40 will bring \$8; and during recent years the average value of each hide has been about \$6. We slaughter annually approximately twelve and a half million head of cattle, and the hides of these animals are worth at least \$75,000,000. If 15 per cent of their value is to be taken away from the farmer it means an annual loss to him of more than \$11,000,000.

The boots and shoes worn by the residents of the cities and the people of manufacturing communities are not made from cattle hides. The only parts of the shoes worn by them made from cattle hides are the soles and the heels, because the uppers of the shoes worn by these classes are made of kid, calf, kangaroo, or goatskins and horsehides. The farmers are the ones who wear boots and shoes made exclusively from cattle hides, and a careful, accurate computation of the amount of the duty in the soles and heels of the shoes worn by others than the agricultural classes shows that it is less than 2 cents per pair, and that the duty on the hides in the shoes worn by the agricultural classes does not exceed 5 cents per pair. Heavy boots are no longer worn in this country to the extent they were formerly, and the dealers in them will tell you that but one case is sold now where formerly twenty-five were sold.

The cattle-hide duty contained in a double set of harness is about 50 cents. If there is added by this tariff to the price of one class of shoes 2 cents per pair and to the price of another class 5 cents per pair and to farm harness 50 cents per set, who pays the most of this? Manifestly it is the farmer, because he is the greatest consumer of these articles, and the duty levied in his behalf is simply compensatory to him; and if the manufacturer of leather goods is to be protected in his thrift and industry, and the wage-earner engaged in that work is to be likewise protected, it is simple justice to extend the same protection to the farmer who raises the raw material which these wage-earners and these factories fashion into the finished product. No other basis would be equitable or fair with respect to these three interests.

I am not willing to give up the duty on articles manufactured from leather in consideration of the surrender of the 15 per cent duty on hides, because such course would materially

cripple the manufacturer of leather products in this country. Our boot and shoe manufacturers are protected by a duty of 25 per cent ad valorem, and our manufacturers of harness, saddles, and saddlery are protected by a duty of 45 per cent ad valorem. Our tanneries are protected by the levying of a tariff on all tanned and finished leather imported into this country; so are the manufacturers of leather trunks and valises. All these industries have made progress beyond the dreams of the most optimistic. In 1905 there was invested in the manufacture of leather in this country almost \$243,000,000, and the value of the product for that year was more than \$252,000,000. In the same year there was invested in the boot and shoe industry almost \$123,000,000, and the value of its product was more than \$320,000,000.

The proposition confronting us is to remove the protection now thrown about these great industries. I am proud of the progress that has been made by those who have built up this wonderful hive of industry. They have shown what American skill and American energy and American genius can do, and these industries do not want, and the people of this country do not want, to bring them into competition with manufacturers abroad whose products are produced at much less cost than ours. The removal of these duties would strike down many an industry in this country and would only be attended with disaster and distress.

I object again on account of the effect that this proposition would have upon the American wage-earner. The average number of wage-earners employed in 1905 in the manufacture of articles from leather and its finished products was 255,000, and there was paid to them in wages during that year more than \$116,000,000. The amount of the wages paid during that year to those engaged in making boots and shoes was more than \$69,000,000. The question is, Are we going to bring those men and that pay roll in competition with the workmen and the pay rolls of foreign countries?

The following extract from a recent issue of the Birmingham (England) Daily Post is of interest:

Kettering shoe trade dispute.—A dispute having arisen in the shoe trade at Kettering, the local arbitration board referred to the board of trade the demand of the National Union of Boot and Shoe Operatives for an increase in the minimum wages of lasters and finishers from 26s. to 30s. per week. Judge Austen, of Bristol, the umpire, has decided against any alteration. The minimum at Northampton and Bristol is 28s., and at Stafford, Leicester, Wolverhampton, London, and St. Albans 30s.

It will be seen from this extract that the wages paid lasters and finishers in England is about \$7.50 per week. The statistics compiled by the Census Office in this country show that the general average paid to shoe lasters in the United States during 1906 was \$17.36 per week, the average for Massachusetts \$19.25, and the average for Ohio \$19.14. Now, I do not know what you think about it, but, as for me, it seems plain that if we do not continue to protect American labor in American factories who are earning an American wage, we will bring them into competition with their competitors in foreign lands who are now receiving but a little more than one-third as much as our operatives. This Massachusetts and the country will never do.

In a report made on leather and boots and shoes in European markets by a special agent of the Department of Commerce and Labor, and published last year, I find the following:

It has been said, and truly, that the American shoemaker is the best fed, the best paid, and the most skilled in the world, and, as a result, the excellence and popularity of his product is advanced in all countries.

If our wage-earners are now the best in the world and the best taken care of in the world, we propose to maintain that standard.

It is also stated in that report that the cost of production in France, as in England, is much less than in the United States. In Belgium the laborer in the shoe factories begins his toil at 6 in the morning and ends at 7 in the evening. His wages average from 7 to 9 cents per hour, with 25 per cent increase for additional hours, making his daily wage from 84 cents to \$1.08 for twelve hours' work. In that country children begin their life work at the age of 12 years, and under the law there a child under 16 years of age can be kept at work twelve hours a day.

The foreign wage-earner engaged in this business not only receives much less for his labor than the American workman, but he is neither fed as well nor clothed and housed as comfortably as our workman, and he can not bring to his family the comforts of life or any of the luxuries that are now so generally enjoyed by American operatives.

The removal of this tariff would bring our people into direct competition with the poorly paid workmen of Europe, and that

is one principle that is not in the creed of the Republican party and one thing which that great protective party will never do.

But notwithstanding the fact that it costs Americans more to produce boots and shoes in this country than it does abroad, nevertheless our foreign trade in these articles has increased steadily since 1891, as the following table will show:

*Exports of boots and shoes.*

Year.	Pairs.	Value.
1907	5,833,914	\$10,663,949
1906	5,672,249	9,142,748
1905	5,315,699	8,057,697
1904	4,642,531	7,238,940
1903	4,197,566	6,665,017
1902	3,906,766	6,182,068
1901	3,494,041	5,526,290
1900	3,016,720	4,726,656
1899	1,934,277	2,711,385
1898	1,307,031	1,816,538
1897	1,224,484	1,708,224
1896	1,006,235	1,436,683
1895	822,412	1,010,228
1894	647,318	777,354
1893	498,027	590,754
1892	745,112	914,974
1891	551,735	651,343

It will thus be seen that under the Wilson and McKinley bills, which left cattle hides on the free list, our exports of boots and shoes were in value during the best year less than one and three-fourths millions of dollars, while under the Dingley bill, with a tariff of 15 per cent ad valorem on such hides, our exports of these commodities have reached an annual value of more than ten and a half million dollars. This is certainly proof conclusive that this tariff has not hurt our foreign trade. American shoe manufacturers are now sending their shoes to sixty different countries. Many of these countries levy a duty upon the shoes imported from America. Notwithstanding the fact that it costs more to produce shoes in America than it does in Europe, we are nevertheless entering largely into the foreign trade because our labor is the most skilled in the world and because it produces shoes that are everywhere sought on account of their durability, comfort, style, and finish, for, as is said in the special report before referred to, "the American manufacturer has not to convince the English buyer of the superiority of the American shoe—the Englishman already knows that." In other words, we have sold abroad on the merits of our products and not on the pauperism of our wages. Our home trade has been so great that we have not been obliged to seek a larger export trade; but if the occasion should require it and the American manufacturer should choose to invade the foreign market with these goods and will look closely to the details of climatic conditions, packing, and advertising, he will soon be the maker of high-grade shoes for the world.

In 1906 our shoe exports for the first time in our history exceeded in value the shoe exports from Great Britain. Not only have our exports of boots and shoes increased largely, but also our exports of leather and its manufactures have increased, as the following table will show:

*Exports of leather and manufactures of leather.*

1907	\$45,476,969
1906	40,642,858
1905	37,936,745
1904	33,980,615
1903	31,617,389
1902	29,798,323
1901	27,923,653
1900	27,293,010
1899	23,466,985
1898	21,113,640
1897	19,161,446
1896	20,242,756
1895	15,615,407
1894	14,283,492
1893	11,912,154
1892	12,084,781
1891	13,278,847

These exports have doubled in value under the protective tariff on cattle hides.

The manufacturer of leather goods, like all the manufacturers of our entire country, have practically free raw materials for the goods which they manufacture for export. This is due to the "drawback" clause, so called, which has been a part of our last three tariff acts. By virtue of that provision an American manufacturer can receive back from the Treasury of the United States any duty he may have paid upon the materials used by him in the manufacture of articles exported by him. This provision is not only a Republican or protectionist measure, but a Democratic or free-trade measure



as well, for it was incorporated not only in the McKinley and Dingley bills, but in the Wilson-Gorman law also. Under its operation it is possible for a small percentage of the goods manufactured in America to be sold abroad for less than they are sold at home, because, if advantage is taken of the drawback, the cost of manufacture for export is reduced.

But Congress is urged to remove this tariff on cattle hides, because it has increased their price to such an extent as to make the price of leather burdensome to the manufacturers. I have shown you the great development of this industry in this country. Men of my acquaintance have gone into that business with but little money, but much brain and energy, as capital, and have made for themselves and their families great fortunes; and they have not done this by oppressing their labor or robbing the consumer, but by bringing to their work that skill and intelligence not possessed by any other people of the world. The great State of Massachusetts is the first in rank in every item relating to shoe manufacture. In 1905 it produced almost half the total output of boots and shoes for this entire country.

In that year the amount of capital employed in that industry was almost \$50,000,000. The number of its salaried officials and clerks was almost 3,500, the number of its wage-earners more than 62,000, the amount of wages paid more than \$33,000,000, and the value of their products \$144,000,000. Between 1900 and 1905 all these various items increased materially, and this industry has been and is in a most prosperous condition or it would not have made the steady and marked advance it has made. And I might say right here that whenever you undertake to convince an Ohioan that a manufacturer in Massachusetts is doing business at a loss you are tackling the biggest proposition that you ever went up against.

At the close of the year 1906 Mr. L. B. Cahill, president of the Cincinnati Shoe Manufacturers' Association, writing in the industrial edition of the Cincinnati Times-Star, said:

Cincinnati shoe manufacturers enjoyed during the past year one of the most prosperous seasons of their history and broke last year's fine business record. This phenomenal prosperity was in spite of the fact that leathers have advanced from 20 to 40 per cent on account of the extraordinary demand. There is no surplus of leather. It is taken up as soon as produced. The 20 per cent tariff on certain hides should be taken off by all means. The leather "trust" must not be blamed for the advance, which has been the result of natural causes. Cincinnati produced about 50,000 pairs of shoes daily the past year, or 15,000,000 pairs, worth more than \$40,000,000. More than \$20,000,000 is invested in the business, and the past year saw much more money put in the industry at Cincinnati. A number of plants have outgrown their old quarters and are now building new factories. Cincinnati is one of the largest producers of kid shoes in the world, and is rapidly gaining in prestige. The products of her factories go all over the world and made new conquests the past year. The plants will be worked to their utmost capacity the coming year, which will be one of the busiest in the history of the shoe trade. Orders for next year are in, and 1907 is going to be a record smasher. This is not merely a guess, but is definitely known, because the shoes are already sold. The labor situation is quiet and satisfactory. Wages have been advanced. There have been no strikes.

It will thus be seen that Ohio has enjoyed the same prosperity in this manufacture that has been enjoyed by Massachusetts.

I have an interesting advertisement of a great shoe company, in which it is stated that the company was formed fourteen years ago by a young man whose entire capital was \$1,500 and a practical knowledge of the shoe business. It states that in fourteen years his small original investment has grown into a business whose tangible assets and good will are now worth more than \$5,000,000.

Now, we have made all this advancement and accomplished all these wonderful achievements, produced the best shoes in the world, paid our labor the highest wage in the world, supplied our home market in the leather trade to the amount of about \$400,000,000, and invaded foreign markets to the extent of many millions more, and all in spite of the fact that a little duty of 15 per cent has been levied to protect the farmer who consumes the most of these products and the farmer who furnishes these manufacturers with the raw material from which their finished product is made. Surely we ought to stop and ask ourselves if the farmer has not been modest, indeed, in his demands.

But it is claimed that this 15 per cent tariff has largely increased the price of leather. I do not believe it has influenced it to any great extent. It may affect the price of leather, but not to a greater extent than 15 per cent, and the price of hides has increased much more than this. You must remember that there has been an extraordinary demand for leather. It is being used more generally and extensively than ever before. The production of saddlery and harness in 1905 increased almost 30 per cent, and leather belting and hose 40 per cent. The amount of leather used in automobiles alone is astonishing. It takes from two to three hides to complete the leather fittings in every automobile, and when you consider the thousands that there

are, the enormous demand for leather for this purpose will be appreciated. The 15 per cent duty on raw cattle hides did not cause the high price of leather, because the price of calfskins, which are on the free list, has increased proportionately with those of cattle.

A study of the export of hides is of interest:

Year.	Pounds.	Value.
1907.....	15,396,806	\$1,760,032
1906.....	10,752,827	1,223,255
1905.....	10,298,722	1,051,641
1904.....	32,727,643	3,246,887
1903.....	12,859,949	1,224,409
1902.....	9,372,940	903,504
1901.....	11,161,749	1,064,952
1900.....	7,483,256	804,674
1899.....	10,140,840	923,117
1898.....	11,536,073	1,015,032
1897.....	31,119,166	2,338,530
1896.....	39,545,324	3,858,946
1895.....	36,002,859	2,310,323

During the years 1895, 1896, and 1897 when the industries of this country were idle and our farmers were receiving low prices for their grain and the wage-earners were paid small wages and our consumption was small, we exported about 35,000,000 pounds of hides each year. But with a return of a protective tariff and new conditions and the opening of our factories and the revival of agriculture we kept our raw material at home and did our own manufacturing and sold to our own people and paid wages to our own wage-earners, and for six years our exports of this raw material were about 10,000,000 pounds annually.

In 1904 we exported more than 32,000,000 pounds, but this demand was caused by the heavy war demands on account of the war in South Africa and the Russo-Japanese war. The high price of hides prevailed not only in America, where the little 15 per cent duty was levied, but it prevailed in free-trade England as well, and, in fact, was universal; and that the price was neither unreasonable nor caused by the tariff is shown by the fact that our manufacturers not only paid the price in this country, but those in foreign markets paid the same price as well.

I know the price of hides and of leather interests the manufacturer, but that the high prices prevailing in the past have not been caused by this 15 per cent is further shown by the following:

Year.	Sole, hemlock, Buenos Ayres, middle weights, first quality (price per pound).	Sole, oak, scoured backs, heavy (price per pound).	Green, salted, packers' heavy native steer hides (price per pound in Chicago).
1890.....	\$0.1921	\$0.3771	\$0.0933
1891.....	.1858	.3679	.0951
1892.....	.1727	.3421	.0870
1893.....	.1796	.3483	.0749
1894.....	.1715	.3279	.0941
1895.....	.2073	.3421	.1028
1896.....	.1881	.2925	.0811
1897.....	.2033	.3079	.0906
1898.....	.2129	.3213	.1151
1899.....	.2254	.3358	.1235
1900.....	.2490	.3608	.1194
1901.....	.2475	.3525	.1237
1902.....	.2367	.3390	.1338
1903.....	.2267	.3742	.1169
1904.....	.2257	.3450	.1166
1905.....	.2290	.3663	.1430
1906.....	.2538	.3796	.1543
1907.....	.2644	.3821	.1456
1907, December.....	.26 to .27	.37 to .40	.1185

It will be seen from a study of this table that the price of oak soles does not bear any fixed proportion or ratio to the price of hides, and because hides have slightly increased in price it does not necessarily follow that leather must advance also. Hides are to-day cheaper than they have been for years, yet the duty has not been removed.

Those who are contending for the removal of the duty from the raw hides of cattle tell the manufacturer of leather goods that such action will give him increased profits on the output of his factory. This was done to interest him in the project, and it usually has the desired effect. They then tell the wage-earner employed in the same factory that if this tariff is removed the price of the raw material necessary to make the

finished product will be decreased, and the result will be that he will get an increase in his wages. Naturally that interests him. But they do not stop there. They go to the retail dealer in leather goods and tell him that his profits as a retailer will be increased if the duty is removed from raw cattle hides. But that is not all. They take another step down the line, and they tell the consumer of these commodities that he will be able to buy them at a largely reduced price if this small duty is removed.

I have shown you that this duty is so small that it can not appreciably affect the retail price of commodities that are manufactured from leather. Suppose it is 5 cents per pair on brogans; this small amount can not be given to the wage-earner and the manufacturer and the retail dealer and the consumer. If you give it to one of them, manifestly you can not give it to the other three; and if it is divided among these four classes it becomes a matter so trivial that it is not worthy of consideration; it becomes absolutely nothing to them. I challenge you to give me the name of a single manufacturer who has made a definite promise that if this duty is removed he will increase the wages of his employees and reduce the price of his products.

I presented this argument to show you how dangerous it would be to accept the proposition that has been made to the protectionists of this country by free traders to surrender the 15 per cent duty on a certain raw material in consideration of the surrender of a larger duty on the finished product. To do so means to throw tens of thousands of American wage-earners out of employment. It means to shut down hundreds of factories all over this country, and it means silence in the workshop where now there is the hum of industry. It means a decreasing market for the products of the farm; it means impaired confidence; it means a vital blow at two interests—the one agricultural, and the other manufacturing—that are now working in harmony for the mutual welfare and benefit of both.

What I have said of this raw material can be proven of any other raw material if you will just take the time to stop and study it out.

The great West and the South produce the raw material for the labor and the capital and the energy of the East to fashion into the finished product. We have joined hands with you and we have protected you against your foreign competitor, and the wage-earners employed in your factories against the foreign wage-earners. We have made up by a duty the difference between the wage here and the wage abroad.

On the subject of free raw materials John Sherman, in volume 1, at page 191, of his Recollections, says:

The dogma of some manufacturers that raw materials should be admitted free of duty is far more dangerous to the protective policy than the opposition of free traders. The latter contend that no duties should be levied to protect domestic industry, but for revenue only; while the former demand protection for their industries, but refuse to give to the farmer and the miner the benefit of even revenue duties. A denial of protection on coal, iron, wool, and other so-called raw materials will lead to the denial of protection to machinery, to textiles, to pottery, and other industries. The labor of one class must not be sacrificed to secure higher protection for another class. The earth and all that is within it is the work of God. The labor of man that tends to develop the resources buried in the earth is entitled to the same favor and protection as skilled labor in the highest branch of industry, and if this is not granted impartially the doctrine of protection proclaimed by the founders of our Government, supported for more than a hundred years of wonderful progress, will be sacrificed by the hungry greed of selfish corporations, who ask protection for great establishments and refuse to grant it to the miner, the laborer, and the farmer.

Speaking on this subject of free raw material, William McKinley said to the Home Market Club just twenty years ago:

If free raw material will cheapen the product of the factory and of the mill, of course by the same logic the product of the mill will be cheapened if competing products are admitted free of duty. The products of the New England mills, the New Jersey potteries, and the Pennsylvania furnaces have no higher claim upon the fostering care of the Government and the considerate concern of Congress than the iron mines of the Northwest, the wool producers of Ohio and West Virginia, the coal of Maryland, the clay of Missouri, the salt of Michigan and New York, the marble of Vermont and Connecticut, and no unselfish patriot thinks so. I assure you there is no wayside station in the work of cutting down duties when once entered upon. No reason will be found, surely none will be accepted, why we should stop halfway in our so-called "mission" for the overburdened consumer. Protection will not respond to the beck of one interest and turn a deaf ear to the earnest calls of another. Seven and three-quarters millions of farmers, more than one-eighth of our entire population, will not tolerate a discrimination against their products, and that might as well be understood now. Our farming population has firmly resisted the seductive voice of the free trader; has stood faithfully by the system of protection because it was right as a broad policy looking to industrial independence. They only claim equal benefits with all others; more they have never asked and less they will not have. No advantage over their fellow-citizens engaged in other branches of business is desired, no unjust or unequal drawbacks or discrimination upon them will be tolerated.

And the same principles that were true when McKinley spoke twenty years ago are true to-day. We are not in conflict; we

are in harmony; we must not be in conflict, but we must go on in our own way demanding our own rights and protecting the rights of others, and in this way we will continue to build up our country, and the America of to-morrow will be still greater and better than the America of to-day. If you attempt to deny to your neighbor protection on the coal and the iron and the wool and the other raw materials produced by him he will retaliate by seeking to deny to you the protection that is afforded you upon the products of your factories, and the result will be that there will again be want and hunger and cheerless homes in this country where there is now plenty and happiness and bright, cheerful firesides. Let us again resolve here and now that we will continue to protect all classes and all sections of this country equally, so that the protective system shall continue to be for the benefit of all. Let us know no South nor North nor East nor West, but let us realize the truth of that maxim, "United we stand, divided we fall."

Mr. OVERSTREET. I yield to the gentleman from Missouri [Mr. LLOYD].

Mr. LLOYD. Mr. Chairman, in delivering my address a few days since on postal conditions, in discussing the interpretation of the law as to the weighing of the mail, I failed to state the law on the subject, and I wish to do so now:

The average weight to be ascertained, in every case, by the actual weighing of the mails for such a number of successive working days, not less than thirty, at such times after June 30, 1873, and not less frequently than once in every four years.

Later the time was changed to ninety days. Otherwise the law has not been changed to this date.

Until March 2, 1907, the Department required the mail to be weighed for ninety week days. Sunday was not considered, so that the weighing covered a period of one hundred and five days instead of ninety successive days. In other words, working days were construed to mean week days. Postmaster-General Cortelyou changed this interpretation which had been accepted as correct for over thirty years and issued the following order as his construction of the law:

That when the weight of mail is taken on railroad routes, the whole number of days the mails are weighed shall be used as a divisor for obtaining the average weight per day.

This required, in effect, that, instead of dividing by the number of working or week days in the weighing period, the divisor should be the number of days on which mail was actually carried during the period. If it was weighed one hundred and five days, the divisor to obtain the daily weight was one hundred and five. If the mail was not carried on Sunday, the divisor would be ninety. This, as you can readily see, would give less compensation for carrying the full week than for six days, for the accumulated mail would be practically the same whether carried in six days or in seven.

The present Postmaster-General, seeing this predicament, issued another order of construction, known as "Order 412," which is as follows:

That when the weight of mail is taken on railroad routes the whole number of days included in the weighing period shall be used as a divisor for obtaining the average weight per day.

If the construction up to last year was right, then there has been withheld from the railroads this year over \$1,700,000 that is theirs under the law. If the present construction is the proper one, the railroads have received over \$70,000,000 since 1880 that belongs to the people; so that whichever view is sustained money has been wrongfully withheld through the Post-Office Department.

In the last Congress the chairman of this committee decided that an amendment proposed similar to Order 412 was new law, and on an appeal from the decision of the Chair the decision was sustained by practically a unanimous vote.

To remedy this embarrassment hereafter, I have introduced a bill which omits the word "working" and requires a continuous weighing for thirty successive days in each year. This would avoid any controversy about the divisor, and would also avoid the temptation to false routings of mail and excessive padding, as is now so frequently charged during the quadrennial weighing. The Government would pay for the mail actually carried and the railroads would receive compensation for every pound transported. [Applause.]

[Mr. WILLETT addressed the committee. See Appendix.]

Mr. OVERSTREET. Mr. Chairman, as no other gentleman on this side desires to occupy any time, I ask for the reading of the bill under the five-minute rule.

The CHAIRMAN. The Clerk will read.



The Clerk read as follows:

OFFICE OF THE POSTMASTER-GENERAL.

For advertising, \$5,000.

For rent of suitable buildings for the use of the Post-Office Department, including the mail-bag repair shop, lock-repair shop, and the division of supplies, \$35,200. And \$800 of said sum shall be immediately available.

Mr. FITZGERALD. Mr. Chairman, I reserve the point of order on the last sentence of that paragraph on the deficiency appropriation.

Mr. OVERSTREET. Mr. Chairman, that is not a deficiency appropriation at all. The House authorized last year the rental of property in Washington for a supply station. One additional room has been added, and the \$800 to be made immediately available is for the remainder of this year for that additional room. The supply station down on First street, near the Union Station, was found to be very advantageous, and a ten years' lease was entered into. During the present winter, by reason of some heavy supplies, it was found necessary to occupy one additional room on the ground floor. Such a room being available, the contract was entered into under the old authority at \$2,400 a year, and we authorized the \$800 immediately to be available in order to pay the rental upon that room for the remainder of this year.

Mr. FITZGERALD. That is a deficiency appropriation.

Mr. OVERSTREET. The point is simply this: They would not care to use the room at all unless they had means of paying for it. The authority for the rental existed under the law, and they had made a contract for all except this one room under that authority. It is quite common, Mr. Chairman, as the gentleman will probably recall, especially in the postal service, where authority is granted in midyear for some necessary rental, that the appropriation is carried for the remainder of the year, provided the contract is entered into at once.

Mr. FITZGERALD. Are those items not carried in the deficiency bills?

Mr. OVERSTREET. No; not at all.

Mr. FITZGERALD. They have been carried in those bills?

Mr. OVERSTREET. No; not that kind of an item. The deficiency bills, I will say to the gentleman, very frequently—in fact, almost annually—carry some items of an appropriation which has not been sufficient; but this is a new room, rented under authority, and \$800 is for the rental of that room for the remainder of the fiscal year.

Mr. FITZGERALD. All the other Departments of the Government, however, if they wish to obtain new service or additional accommodations are compelled to submit estimates, which are deficiency estimates, and it seems to me that this is an item of that character.

I withdraw the point of order on the gentleman's statement.

The Clerk read as follows:

For compensation to clerks and laborers at division headquarters, fifteen at \$1,600 each; nine at \$1,400 each; twenty-seven at \$1,200 each; eight at \$1,100 each; thirteen at \$1,000 each, five at \$900 each, and two at \$660 each; in all, \$96,620.

Mr. DRISCOLL. Mr. Chairman, I move to strike out the last word. I should like to know why these people, who are paid \$1,600, are called laborers, and that there are different classifications of laborers? What is the idea of that?

Mr. OVERSTREET. The appropriation for laborers, Mr. Chairman, is simply for two at \$660 each. The other employment is of clerks, and the ordinary labor incident to that character of work, who have been employed in these places from year to year.

Mr. DRISCOLL. Do these laborers get, for instance, all the way from \$1,600 down?

Mr. OVERSTREET. Two of them only get \$660, and they are the only ones who get the actual laborers' pay. The others are stenographers, clerks, and employees of that character.

The Clerk read as follows:

For the purchase and installation of mechanical conveyors and equipment for the handling of mail in the Washington City post-office, under the direction of the Postmaster-General, \$10,000.

Mr. MANN. Mr. Chairman, I reserve a point of order on that paragraph.

Mr. CLARK of Missouri. Mr. Chairman, I move to strike out the last word. The gentleman from Illinois [Mr. MANN] makes a point of order against it, but I want to ask some questions about the bill.

Mr. MANN. I reserved the point of order.

Mr. CLARK of Missouri. What I wanted was to ask the chairman of the committee a question or two about the bill. I would like to inquire where the Post-Office Department got the authority to issue the ukase that subscriptions to newspapers have to be paid in advance after the 1st of April or the papers can not be carried at the usual rate? That is one question.

Mr. OVERSTREET. Does the gentleman want them answered one at a time?

Mr. CLARK of Missouri. Yes; I want an answer to it, if the gentleman knows.

Mr. OVERSTREET. Mr. Chairman, that is a very large subject, and can scarcely be answered in the time that generally is allotted under this kind of debate. I do not recall the numbers of the statute, but under the statute fixing the rate of second-class mails at 1 cent a pound provision is made that the publications shall not enjoy that rate when they are published primarily for advertising purposes, and there are certain other limitations. It is under that statute. In speaking of the authority for the rate and the character of publications which may enjoy the second-class mail privilege, this provision is in the law:

*Provided, however,* That nothing herein contained shall be so construed as to admit to the second-class rate regular publications designed primarily for advertising purposes or for free circulation or for circulation at nominal rates.

Now, answering specifically the gentleman's inquiry, it is under that statute that all regulations relative to the privilege of the second-class rate are issued, and the reason, good or bad or indifferent, which the Third Assistant Postmaster-General has promulgated upon the particular point to which the gentleman has made the inquiry, is that in determining what is a legitimate publication, what is a publication that is not primarily for advertising purposes, what is a publication that is issued for free circulation or at nominal rates, a number of inquiries must be made upon which to base his opinion. Now, I dislike very much to make an answer so short, because it is only incomplete.

Mr. CLARK of Missouri. Another question, Mr. Chairman. Where did the Post-Office Department get its authority to say that sample copies only to the extent of 10 per cent shall be sent out at pound rates?

Mr. OVERSTREET. In one of the cases that was tried, wherein the Postmaster-General was enjoined by some publisher some years ago from carrying out a regulation which sought to limit the number of sample copies, the court held that that was a matter of regulation, and in that opinion stated that the regulation then promulgated was reasonable. Then, afterwards, a lesser number of sample copies was permitted by the Department; so that, to answer specifically the question of the gentleman, without elaborating, the authority rests in the Postmaster-General under the law prescribing limitations for the admission of publications to the second-class rate, and on that law the Supreme Court made the decisions which were all on that authority.

Mr. CLARK of Missouri. One other question, Mr. Chairman. Is there any probability of the House Post-Office Committee recommending favorably what has come to be known as the "Penrose bill," and which is about to harass all of us into apoplexy, and which is pending in the Senate?

Mr. OVERSTREET. I am glad that the gentleman from Missouri has asked that question, because it gives me an opportunity to enlighten a large number of gentlemen who apparently have been greatly frightened by what was really a very small matter. The bill, as I take it, provides by way of amendment to change existing law, and under the terms of this amendment no publication should be admitted to the mails which had once been declared to be nonmailable. That statute refers to the statute to prohibit the sending of obscene matter through the mail; and the amendment was introduced, I am informed, by Senator PENROSE of Pennsylvania during three, and possibly four, different Congresses. At neither one of these Congresses was the measure ever considered. At the present Congress the bill was considered, and, as I am informed, was adversely reported.

Mr. MANN. And is lying on the table there now.

Mr. OVERSTREET. By order of the committee. Therefore, to answer the question of my friend, I think I can safely say that there will be no report from our committee this session.

Mr. CLARK of Missouri. I would like to say just a few words on these subjects I have raised. The Penrose bill may be a very small thing to harass people into apoplexy, but the number of letters which come here, incited by the Penrose bill, is large enough to give people a great deal of trouble. The Post-Office Department has ample law now to settle this whole business of legitimate and illegitimate publications. All that it needs is nerve and common sense. These advertising publications which they are striking at and which are now transported as newspapers at newspaper rates can all be shut out of the mails by the exercise of ordinary discretion. That is what this restriction against a large number of sample copies was intended to accomplish. The trouble with the Post-Office Department about it is that it will not draw the line between a pub-

cation that is evidently simply an advertising scheme and a legitimate newspaper. The Congress itself should take the matter in hand and differentiate betwixt the two on some reasonable basis of percentages of reading matter and advertisements in any given publication. That seems to me to be the only fair way of settling it.

It never was the legitimate newspaper of this country that abused the privilege of sample copies. The Congress never intended to strike at the sample copies issued by legitimate newspapers. The thing that the Congress was trying to regulate and to prevent was the so-called "magazines" or "newspapers" carrying almost a limitless number of bogus subscribers, with the minimum of reading matter and the maximum of advertisements. I understand that one of them used to take a contract to furnish a million subscribers if any one wanted them and would pay the price. They based their advertisements on that so-called "circulation." Ten per cent is not enough to allow for sample copies for legitimate newspapers at the pound rate. They ought to have the privilege of sending out more. There is not a man from a rural constituency that does not know that.

Mr. OVERSTREET. Do you not understand that it is an accumulative privilege?

Mr. CLARK of Missouri. I understand it is cumulative.

Mr. OVERSTREET. I think myself that the country papers and many more ought to enjoy the privilege of sample copies; but they do not care to send out 100 per cent every issue. Where they have the cumulative privilege they would have the privilege of sending out 100 per cent once each year.

Mr. CLARK of Missouri. The truth is, Mr. Chairman, that Congress itself is derelict about this business. As I said during the very interesting speech of my friend from Missouri [Mr. LLOYD], this subject has been up in two Congresses since I have been here in the two so-called "Loud bills." Mr. Loud is a man of fine capacity, of perfect integrity, and of high courage, but his temper was not exactly angelic. The first time he had his bill up he made me mad about the way in which he treated one of my Missouri friends, and I promised him to kill his bill. I had some hand on the floor in killing it. At the time it came up in the next Congress I changed my mind about the bill, so I went to him and told him that if he would put in four amendments I would support it. He put them in. One of them was that publishers should have the privilege of sending out 100 per cent of sample copies.

But it turned out that we had so thoroughly set the mind of the House in the first battle we had here that we could not change it then, and Congress never did change it.

I want to say a word or two as to the ruling of the Post-Office Department, about subscriptions in advance. I am rather inclined to the opinion that in the course of time it would bring all of the newspaper business of the country around to a cash basis, which would be desirable; the cash basis is desirable in all transactions where it is possible; but while they were getting around to a cash basis as to subscriptions, especially if you are going to fix it on the first of next April, there are a good many of these small publications over the country which will go under. They will not survive until the time when the cash system will be established among these newspapers.

Mr. SHERWOOD. Especially during a panic.

Mr. CLARK of Missouri. Yes; especially during a panic. Representatives who live in agricultural districts understand the habits of agricultural people. Take it out in Kansas or Missouri, or any of these rich agricultural States; one of these country newspapers will sometimes carry a farmer worth ten, fifteen, or twenty thousand dollars six or eight or ten years. He knows he is good pay and the editor knows it also. Hence there is no hurry. I was a newspaper man myself once, and raised the subscription price of the paper from a dollar to a dollar and a half, and invited my subscribers to come in and pay up. I had bought another man out. And I was surprised to find that there were men in that county worth twenty or thirty thousand dollars who had let their subscriptions run five, six, eight, and ten years. You can not change the habits of people instantly, and publishers ought to have more time than until the 1st of April to try the experiment. I had a letter from a man running a newspaper in my district—one of the richest agricultural counties under the sun—and he said if that order was enforced rigidly by the 1st of April his paper would have to suspend.

The time of Mr. CLARK of Missouri having expired, by unanimous consent it was extended five minutes.

Mr. CLARK of Missouri. I received a letter from a very intelligent man, the author of four or five books, who has an interest in a newspaper in a growing town of about seven or eight thousand people, in a rich agricultural region, and he said it was reducing their subscribers so fast that by the 1st of April

there would be a third of them gone, and he gave this reason for it: It is a prairie county, where they have no rocks or gravel roads, and can not have them, because there is nothing out of which to make them, and at this time of the year, last month and this month, until the first of next month, the roads are the worst of the entire year. With a rural mail route carrying the farmers' mails to them and with the roads so bad that the farmers do not come to town, they do not pay for their paper, and if the publishers stop the paper it makes them mad, and they will not subscribe again. He said that the time for experimentation ought to be extended, and I say so, too. I can not see how it is in any way the business of the Post-Office Department to undertake to determine who is and who is not a bona fide subscriber to a legitimate newspaper. Certainly the test of paying in advance is not a fair one. Great metropolitan papers can conduct their subscription business in that way, but the plan works hardships on country publishers. The latter are having a tough job of it anyway to make buckle and tongue meet with the exactions of the paper trust and the severe competition with the cheap weekly and semiweekly editions of the great metropolitan dailies. Surely no sane man in the Post-Office Department or out of it desires to cripple or kill the rural weeklies. Having once been a country editor, l'esprit du corps, if nothing else, would make me take up the cudgels in their behalf.

Having said that, I want to say another thing: The way the Post-Office Department has been run in the last four or five years, it exercises powers which are dangerous and oppressive, to say the least and to put it mildly. By issuing an order the Post-Office Department can ruin the business of any man in this country, and there is no appeal from that order. The Congress ought to pass a law on that subject something like this: That the Post-Office Department, after a hearing, shall have the right to issue a fraud order, and then the injured party shall have a right to appeal to a court and have a judicial decision on it. The ex-parte business has been abused in certain cases; there is no doubt in the world about that. I have no disposition to abuse the Post-Office Department officials. They have acted, I suppose, from what they conceived to be the best interests of everybody concerned, but it is a dangerous power to lodge in the hands of any Department—that simply by the ruling of a subaltern a man's business shall be completely shut up and he shall have no right of appeal to the courts. The quicker that part of it is remedied the better off the country is going to be.

The reason I asked the gentleman from Indiana [Mr. OVERSTREET], about the Penrose bill is that it seems to have set the country wild, and if the Penrose bill were to pass the Department would be really a censor of the public press, and its decisions would be conclusive as to what papers should and should not be circulated through the mails. Certainly no lover of his country and his kind wants to see a press censorship established in this country. I am glad to know that the Penrose bill is dead. It was partly to save myself the trouble of writing some four or five thousand letters, and to save others the trouble of writing innumerable letters, about the Penrose bill that I asked that question and have made these remarks. [Applause.]

Mr. MANN. Mr. Chairman, may I ask the gentleman in charge of the bill in reference to the item under consideration?

Mr. OVERSTREET. I will yield to the gentleman.

Mr. MANN. I understand that there has already been installed mechanical conveyers and equipment of some sort in the post-office here. Is it proposed to take those out and put in other apparatus?

Mr. OVERSTREET. I do not understand that there are any conveyers installed in the local post-office. This item, Mr. Chairman, was inserted in the bill at the urgent request of the Postmaster-General, in order, as he explained, to grant new facilities, or rather additional facilities, for handling the mails in the post-office in the city of Washington. The character of the conveyers, as explained by his representative before the committee, would be to save time and labor of the clerks in the office, and the general character of these conveyers, as we understood, were much the same as those used now in the Chicago office.

The Postmaster-General said further that it was his ambition to show in the city of Washington a well-equipped post-office, with modern appliances, which might be used as a good example for other cities in the use of these appliances. Our first impression was that this character of appropriation ought not to appear in the post-office appropriation bill, but should be carried in the sundry civil or public buildings bill. Upon inquiry we were advised that there has been no appropriation for furnishing devices of a mechanical character in the Washington City



post-office since the original furnishing of the office at the time the building was constructed, and in view of that we inserted the item.

Mr. MANN. I should be inclined to think that if the item belonged in any bill it might more properly go in this bill than in any other, because it would be particularly a post-office matter as apart from the building itself.

Mr. OVERSTREET. Still, the entire furnishings of all post-offices and public buildings, as the gentleman knows, are carried under the bill with respect to Treasury expenditures.

Mr. MANN. I had this experience about the Chicago post-office: The Post-Office Department declined to take jurisdiction and the Treasury Department declined to take jurisdiction. Both Departments declined to do anything, and it was only by making a trip from Chicago to Washington and with a good deal of hard talk that I finally got the Post-Office Department to turn over \$800 to the Treasury Department and got the Treasury Department to make the plans.

Mr. OVERSTREET. Does the gentleman know from what fund that was taken?

Mr. MANN. I do not know. I think myself it was turned over without express authority of law, but it was one of those cases where the Department was forced to act or be in the position where it could not handle the mails. I believe the Postmaster-General obtained the opinion from the Attorney-General's Department that he could take it out of some fund.

Mr. STAFFORD. It was probably taken from the fund for miscellaneous expenses of the first and second class post-offices.

Mr. OVERSTREET. It might be taken out of that.

Mr. HARRISON. Mr. Chairman, I move to strike out the last three words. I want to ask the chairman a question relating to the paragraph preceding this, as I was out of the Chamber when it was passed. In connection with the appropriation of \$5,000 for services and information looking toward the apprehension of criminals, I have had it suggested that the Department retained regularly upon its rolls, and probably would pay them out of this appropriation, professional criminals and other yeggmen for watching others.

Mr. OVERSTREET. Where did the gentleman get the information?

Mr. HARRISON. I recollect seeing it in the newspapers some time ago.

Mr. OVERSTREET. Well, the newspaper may have contained what the gentleman says, but it scarcely would come within the category of "information." I may say that some fund has been carried under this character of appropriation for many years. Its purpose is to enable the post-office inspectors, when engaged in ferreting out criminals within their jurisdiction, to make expenditure of money for which they do not give vouchers, for by giving receipts their identity would necessarily be disclosed, and under that appropriation the Postmaster-General would have authority to pass the accounts of post-office inspectors to a limited extent, not exceeding the amount appropriated, to cover that character of expenditure. If there are any criminals on the payroll of the Post-Office Department under that item of appropriation, I do not know it.

The gentleman from New York might have gone further with his newspaper authority, and perhaps would not have been far from newspaper report, and said that a good many criminals are on the pay roll under the post-office appropriation, but they do not appear in the auditor's accounts, and the vouchers are safely found by examination in the Treasury Department.

I appreciate the report to which the gentleman refers. There was some newspaper notoriety about it, but I think the whole thing emanated from pure notoriety.

Mr. WANGER. Mr. Chairman, I merely wish to say that the chief inspector recently, before a committee of the House, denied under oath that there was any known criminal carried upon the pay rolls of the Department, so far as he knew.

Mr. GAINES of Tennessee. Mr. Chairman, I would like to ask the gentleman in charge of the bill how much money this bill carries for the rural delivery system.

Mr. OVERSTREET. We will reach that item, I hope, soon. There are two or three different items. I presume the gentleman from Tennessee refers to the carrier item.

Mr. GAINES of Tennessee. I would like to have that, of course, and all the others.

Mr. OVERSTREET. Thirty-five millions three hundred and seventy-three thousand dollars; and then in the item of supplies, \$75,000.

Mr. GAINES of Tennessee. How many carriers have we now?

Mr. OVERSTREET. About 38,000, I think; 37,000 or 38,000.

Mr. GAINES of Tennessee. How many routes?

Mr. OVERSTREET. About 200 more routes than carriers.

[Mr. GAINES of Tennessee addressed the committee. See Appendix.]

The Clerk read as follows:

For expenses incident to the investigation and testing of mechanical and labor-saving devices, under the direction of the Postmaster-General, for use in the postal service, \$10,000.

Mr. BURLISON. Mr. Chairman, I move to strike out the last word. I do this, Mr. Chairman, for the purpose of having embodied in the Record a letter bearing on the necessity and importance of passing the bill providing for the Thirteenth Census at this session of Congress. I believe that this letter will prove of interest to the Members of the House, and to it I invite their attention. I ask unanimous consent to extend my remarks in that way.

There was no objection.

The letter is as follows:

MARCH 10, 1908.

HON. ALBERT S. BURLISON,  
House of Representatives.

MY DEAR SIR: I have the honor to acknowledge the receipt of your letter of February 29, 1908, in which you say:

"Recently, during the pendency before the House of the bill providing for the taking of the Thirteenth Census, it developed that there was a difference of opinion as to the necessity or importance of passing this bill during this session of Congress. I write you with a view of securing more fully an expression from you as to whether or not you deem it of importance that the Congress should act upon this bill now. If so, will you please state in detail the reasons upon which you base your belief and the advantages, if any, in enacting this bill into law at the present session of Congress?"

I am glad of an opportunity to answer your question in detail. The decennial enumeration of the population and resources of the United States is a work of such enormous difficulty and complication that ample time should be given for preparation. The Census Office is required by the pending bill to enumerate within a period of thirty days (in cities within two weeks) not less than 90,000,000 persons through the aid of 330 supervisors and, approximately, 65,000 enumerators. In the same period it must enumerate the products of nearly 7,000,000 farms. The difficulties of this enumeration have been increasing from decade to decade, by reason of the unprecedented increase of the foreign-born population, of whom there will probably be 15,000,000 to be counted in 1910. They speak a dozen different languages, and many of them know no English. This problem has been demonstrated by recent State censuses to be increasingly serious because of the marked racial change in immigration during the present decade.

It is important before all else that this work shall be done accurately. There is but one possible way to avoid the errors of past censuses. That way is to allow all the time that is necessary to thoroughly and efficiently organize the field service. If the census law is enacted at this session of Congress, there will be two full years to devote to this field organization, and it is none too much time. If it is postponed until the short session, this preparatory period will be cut in two and shortened one year. Previous experience has conclusively demonstrated that this is not time enough.

The actual work in taking the census devolves upon the supervisors and enumerators. The former are the field officers; the latter actually secure the returns. It is clear that the accuracy of the census, no matter with what fidelity and perfection the returns are finally tabulated in Washington, depends upon the intelligence, character, and training of supervisors and enumerators. At prior censuses no opportunity has ever existed for a proper training of either of these classes of employees.

The majority of the census supervisors since that office was substituted for the deputy marshal in 1880 entered upon their work with vague and insufficient knowledge of their duties and responsibilities. A considerable proportion never realized these responsibilities at all. Some were totally disqualified for effective service. The Director of the Census never had opportunity to determine the qualifications of candidates for supervisors in advance of their appointment. If the census bill passes at this session, every one of these 330 supervisors can be chosen as the result of a demonstrated capacity to properly and intelligently supervise the enumeration of his district. They can all enter upon duty on or about the first day of the decennial census period, July 1, 1909, permitting nine months, or until April 15, 1910, for their training in every branch and phase of the work. Thus they will comprise the best equipped and qualified body of men ever brought together in this service. Otherwise, the Thirteenth Census supervisors will doubtless average on a par with their predecessors—no worse, probably, and probably no better.

The necessity for securing competent enumerators is equally great, if not greater. The early designation of supervisors is indispensable, if this is to be done. The enumerators are the men who, after all, determine the accuracy and the value of a census. There is no way in which the Census Office can check back their work; there is no time to check it back. It must be accepted as it stands, except in cases of obvious fraud or error.

There will be required, approximately, 65,000 of these enumerators at the Thirteenth Census, located in as many enumeration districts. The pay is small, the duties strenuous, the conditions exacting, the service quickly over. The theory has generally prevailed that any person who happens to be out of a job can do the work as well as any other. In fact, the enumerator should be above the average intelligence; should possess a good education; should know his district thoroughly, and should command the respect of his neighbors. It is the most troublesome problem of census work to get the right men to act as enumerators. It is only possible to get the right men, by allowing ample time to sift and discriminate among the applicants. There must be a practical test of qualification in each individual case, if the best results are to be secured.

It is obvious that the machinery of the Civil Service Commission can not be utilized in their selection. That office would be required to hold not less than 6,000 special examinations, in as many different localities, at practically the same time, and its machinery could not be expanded to meet these conditions, without incurring an enormous expense, not warranted for employment which lasts but thirty days at the most, if the same result can be obtained in any other way. It can be obtained,

If sufficient time is given the Census Office. A pass examination, substantially competitive in character, should precede the appointment of every enumerator, and every person desiring to take it should be permitted to do so, and be furnished with the necessary papers. They would consist of a sample schedule, accompanied by the instructions, to be filled out by the applicant. He should also be required to answer certain questions framed to test his comprehension of the significance of the instructions. This was the plan adopted at the Twelfth Census; but it proved a practical failure, except in a comparatively few instances, simply because there was not time enough to carry it out. If Director Merriam had been given sufficient time in which to organize his army of enumerators, in accordance with his plans, he would have secured the finest body of census takers ever known; as it was, the Twelfth Census enumerators were the best force we have ever had in this country, because they represented the first test of qualification ever attempted. If the Thirteenth Census law is passed by Congress at this session, we shall have the time necessary to weed out the enumerators whose test schedules demonstrate their incompetency. Otherwise, we shall find ourselves no better off in this respect than at the Twelfth Census.

I am convinced that if the opportunity to test and select the enumerators is given, the gain in the accuracy of the Thirteenth Census, over all prior censuses, will be greater than can be definitely measured or than will ever be known; but it appeals to me as a conclusive reason why the Congress should not delay legislation, the necessity for which no one questions. If the census is worth taking at all, it is worth taking under the conditions which make for the greatest possible accuracy.

The Thirteenth Census will not cost any more money as the result of census legislation at this session; on the contrary, I am convinced that prompt action will not only greatly increase the general accuracy of the census but will also tend to reduce its cost.

The dates on which previous census laws have been enacted are as follows:

Act providing for the Tenth Census (1880), approved March 3, 1879.  
Act providing for the Eleventh Census (1890), approved March 1, 1889.

Act providing for the Twelfth Census (1900), approved March 3, 1899.

It will be noticed that in each instance the census bill did not become a law until the very last days of the short session, which was the last moment that the law could be enacted before the date of taking the census. A similar delay in the Thirteenth Census legislation, even with the advantage of a permanent Census Office, would be almost fatal to the census, because the date of that census has, for carefully considered reasons, been moved forward forty-five days, to April 15, instead of June 1.

All recent censuses have been harum-scarum struggles to get the work started and finished on time; with no opportunity for deliberation; with all the waste, hurry, scramble, strain, and liability to error which come from the necessity of compressing two years' work into one.

In short, opportunity for improvement in the Federal census consists almost entirely in better organization, and organization of whatever character, whether for war or peace, demands time. Without sufficient time it is not possible to make any material improvement in the Thirteenth Census over the Twelfth.

In conclusion, permit me to respectfully call your attention to the fact that the President, in his annual message, made the following reference to the census law:

"Legislation should be enacted at the present session of the Congress for the Thirteenth Census. The establishment of the permanent Census Bureau affords the opportunity for a better census than we have ever had, but in order to realize the full advantage of the permanent organization, ample time must be given for preparation."

The Secretary of Commerce and Labor, in his annual report, also made reference to the subject, as follows:

"Accuracy, economy, and expedition in connection with that great work will be materially promoted if all the time possible be given the Bureau in which to carefully and fully mature the general plan and methods of the work, and I earnestly urge the immediate consideration of the necessary legislation."

Very respectfully,

S. N. D. NORTH, Director.

The Clerk read as follows:

For compensation to assistant postmasters at first and second class post-offices, 2, at \$4,000 each; 32, at \$3,000 each; 7, at \$2,500 each; 6, at \$2,000 each; 12, at \$1,900 each; 26, at \$1,800 each; 68, at \$1,700 each; 105, at \$1,600 each; 135, at \$1,500 each; 115, at \$1,400 each; 255, at \$1,300 each; 380, at \$1,200 each; 360, at \$1,100 each; 300, at \$1,000 each; 110, at \$900 each; 100, at \$800 each; and 60, at \$700 each; in all, \$2,427,500. *Provided*, That hereafter a second assistant postmaster may be employed at the city of Chicago post-office at an annual compensation of \$2,500.

Mr. WANGER. Mr. Chairman, I reserve the point of order on the proviso and ask particularly the occasion for it.

Mr. OVERSTREET. This is a limitation which the gentleman will find following each of the general appropriations, so as to limit the total amount of the appropriation to the amount stated, and not to the computation which would follow by the multiplication of each item.

Mr. WANGER. Possibly it was not read by the Clerk; but the point of order is to the proviso, that hereafter a second assistant postmaster may be employed in the city of Chicago.

Mr. OVERSTREET. I beg your pardon. That provision is put in the bill, Mr. Chairman, to take care of the situation at Chicago, where the present assistant postmaster, having served with great credit and efficiency for a great many years, is pretty old, almost lost his eyesight, and is greatly handicapped by reason of that infirmity. The provision is made for a second assistant postmaster, to aid the first assistant, who is now in that condition, for the reason that the committee believe that the distinguished services of the assistant postmaster at Chicago and his long and honorable career would justify giving him some assistance rather than separating him from the service.

Mr. WANGER. Mr. Chairman, it seems to me I shall have to insist upon the point of order. This is permanent legislation.

The CHAIRMAN. Just one moment. Does the Chair understand the gentleman to have reserved the point of order?

Mr. WANGER. I reserved it, and now I make it.

Mr. OVERSTREET. Undoubtedly it is obnoxious to the rule. I was in hope that the explanation would satisfy anybody.

Mr. WANGER. The situation does appeal to me, but this is permanent legislation.

The CHAIRMAN. The Chair sustains the point of order.

Mr. OVERSTREET. I offer an amendment.

The Clerk read as follows:

Page 5, lines 11 and 12, strike out "\$2,427,500" and insert "\$2,500,000."

Mr. OVERSTREET. This is to make a correction in the footing.

The question was taken, and the amendment was agreed to.

Mr. BENNET of New York. Mr. Chairman, I regret that the gentleman from Pennsylvania insisted upon his point of order relative to the second assistant postmaster in Chicago. We have no such office in the city of New York, but I think I understand the circumstances, and that the city of Chicago was entitled to that consideration. While I am on that subject, I want to congratulate the committee on having initiated that system; that is, remembering that there are men who grow old in the public service, and, in particular relation to their committee, it affects a very large number in the postal service who ought to have some relief. If the committee and the House could see some of the carriers and clerks in New York who have been thirty-five, forty, and more years in the service, they would know that no postmaster that ever lives will discharge or turn them out into the cold. I think the committee in adopting a provision covering this particular case was perfectly correct, and it would be equally so with other cases in the service.

I have introduced a bill that has not received the attention that I should like to have it receive from that committee. I have no doubt it could be improved, and in fact I have introduced another bill that has gone to the Committee on Reform in the Civil Service, where I hope it will receive a great deal of attention from the distinguished gentleman from Massachusetts [Mr. GILLET]. I ask unanimous consent to insert these bills in the RECORD.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks by inserting in the RECORD the matter which he has mentioned. Is there objection?

There was no objection.

The bills referred to were as follows:

[H. R. 9161, Sixtieth Congress, first session.]

In the House of Representatives, December 16, 1907, Mr. BENNET of New York introduced the following bill, which was referred to the Committee on the Post-Office and Post-Roads and ordered to be printed:

A bill to amend the act of June 27, 1884, chapter 126, 23 Statutes at Large, page 60, entitled "An act to grant letter carriers at free-delivery offices fifteen days' leave of absence in each year," relative to certain other leave of absence.

*Be it enacted, etc.*, That all letter carriers at free-delivery offices shall be entitled to leave of absence, not to exceed fifteen days in each year, without loss of pay, and the Postmaster-General is hereby authorized to employ, when necessary, during the time such leave of absence is granted such number of substitute letter carriers as may be deemed advisable, who shall be paid for services rendered at the rate of \$600. The leave of absence of carriers who have been twenty-five or more years in the service may, in the discretion of the Postmaster-General, be extended for such a length of time as he may in each instance deem advisable.

[H. R. 14942, Sixtieth Congress, first session.]

In the House of Representatives, January 23, 1908, Mr. BENNET of New York introduced the following bill, which was referred to the Committee on Reform in the Civil Service and ordered to be printed:

A bill to grant employees of the United States classified civil service an indefinite leave of absence.

*Be it enacted, etc.*, That on and after July 1, 1908, there shall be granted to all employees of the United States of America who have served in the classified civil service for the term of twenty-five years or more, and shall have attained the age of 62 years, a retirement from such service to be known as an indefinite leave of absence.

Sec. 2. That with the commencement of the fiscal year, after the approval of this act, any employee in the classified civil service, who has served continuously for a period of twenty-five years or more, and shall have attained the age of 62 years, may make application to his or her local department chief for such indefinite leave of absence, and said chief, upon approval of same by him, shall refer it to the department head, and upon his approval of same such indefinite leave of absence shall commence from the first day of the following quarter after said approval. It is further provided that any employee of the civil service who shall have attained the age of 62 years, and who shall have served for twenty-five years or more, shall, upon application of the local chief of departmental, and upon approval of departmental head, be granted an indefinite leave of absence, as hereinbefore provided.

Sec. 3. That all employees of the classified civil service who may be granted such indefinite leave of absence by this act shall receive



during such indefinite leave of absence an annuity of 40 per cent of his or her yearly salary, computed upon the classified salary for the last fiscal year.

Sec. 4. That the balance of such yearly salary shall be applied toward the payment of such substitute or auxiliary taken from the civil service eligible list, who may be assigned to fill the vacancy created by reason of the granting to said employee of an indefinite leave of absence. The assignment of such substitute to have all the effects of original appointment and to be governed by the civil service laws and regulations pertinent thereto.

Sec. 5. That in departments where no substitute or auxiliary service exists the civil service eligible list shall be drawn upon to meet all requirements embodied in this act, and such substitute or auxiliary shall have all the force of regular appointment.

Sec. 6. That any employee receiving a salary in excess of \$2,000 per annum, and who may be granted an indefinite leave of absence under the provisions of this act, shall receive an annuity of 40 per cent of a salary of \$2,000 per annum.

Sec. 7. That indefinite leave of absence shall be granted on condition: That the applicant or employee is retired by reason of disability not due to vicious habits, or by reason of exigencies of the service, but without fault or delinquency on his part, after a service of twenty years, shall receive an annuity of 20 per cent of his or her yearly salary based upon the classified salary for the last fiscal year.

Sec. 8. That an employee who shall have served continuously in the classified service for a period of ten years shall not be dropped for disability until one year from date of absence.

Sec. 9. That continuous service as referred to herein shall be computed from original appointment in classified service; may include service in one or more Departments of the United States classified civil service, and absence from such service for a period of not more than one year shall not affect an employee's continuous service.

Sec. 10. That the departmental head may provide rules and regulations for the enforcement of this act, and recommend such supplementary legislation to increase the efficiency of this act, as he may deem wise and proper.

Sec. 11. That all acts or parts of acts inconsistent with this act are hereby repealed.

Mr. MANN. Mr. Chairman, I move to strike out the last word. The gentleman from Pennsylvania [Mr. WANGER] was wholly within his rights, and may be correct in making a point of order about the second assistant postmaster at Chicago. It is purely a matter of economy, which addresses itself to the House. It is possible that no item of this sort ought to be in a general appropriation bill, although the post-office appropriation bill every year is necessarily filled with provisos, which are subject to points of order, but they are usually not made.

The postmaster in every large city is a political appointee, much to my regret. He comes in and goes out with administrations, and as a rule it is utterly impossible for the postmaster himself, either in Philadelphia, Chicago, New York, or any other large city, to become thoroughly familiar with the routine of the post-office work. The assistant postmaster at Chicago now is quite capable of performing the work of any one man, and I dare say there are very few Members of Congress who would be able to do as much work as Mr. Hubbard, the assistant postmaster. But there is a clerk, not only in the Chicago post-office, but in every large post-office, doing the work which would be done by a second assistant postmaster, with the exception that he can not sign his name to the papers which he prepares. Every document has to pass through two or three hands before it becomes the order of the postmaster, and the real advantage in having a second assistant postmaster in Chicago, and in other places of importance, would be that the routine work which comes to the postmaster from the various postal stations, from the substations, from the carriers' work, and the clerks' work, hundreds of which are passed upon in a single day, could be passed upon and the documents signed by the man who has the responsibility. While the Chicago post-office is not the largest in the country, it covers a great deal more territory than the post-office of New York City. It has a great many more subpostal stations and a great many more postal stations, and probably has a great many more questions arising from them than even the post-office in the city of New York, though I have not the slightest doubt that the post-office in New York might well have a second assistant postmaster.

We are confronted with this proposition: The State Department at Washington receives less money than the post-office at Chicago. We appropriate for the Secretary of State and three Assistant Secretaries and a great many other officials there, in the interest I suppose of good judgment and economy, but we require a post-office machine in a great city to be run by a political appointee, without proposing to give him the necessary facilities with which to run it. In my judgment, the same thing is true, to a large degree, of the Post-Office Department itself. I am in sympathy with the idea of having some one in the Post-Office Department who will not change with the Administrations, either partisan or at the end of the Presidential term, so that some general idea may be maintained by some one in charge; and the same thing ought to be true of a great machine like the Chicago post-office, which takes in \$10,000,000 or \$15,000,000 a year and expends large sums of money in handling the local mail and large sums in transferring the mail

which goes from the East to the West. Chicago, as you all know, is the transfer station between the East and the West. The mail goes through that city. It is largely handled at the post-office there, and, in my judgment, it would be in the interests of economy, to the interest of the prompt settlement of questions arising there, if the office of second assistant postmaster can be created there. I may say I am very positive that this proposition to create this place was not in the interest of any individual, but solely in the interest of the public service.

Mr. WANGER. My friend takes issue with the statement of the chairman of the committee on that.

Mr. MANN. Oh, not at all. The statement of the chairman of the committee did not have reference to the person who would fill this position.

Mr. WANGER. Mr. Chairman, I certainly dislike to be placed in the ungracious attitude of doing a cruel thing, and it seems to me that in respect to the proposition that is no longer before the House I could not fail to make the point of order. The provision of the bill was permanent in its terms and in its effect. If the occasion was as stated by the distinguished chairman of the committee, that the assistant postmaster at Chicago was in need of relief, the provision should have been limited to the life of that official. If the provision was not intended for the special relief of that office at this time by reason of the age or condition of the assistant postmaster, then the provision should relate to the cities of the country generally, at least to the larger cities. In any event, it seems to me that a proposition of that kind ought to be well considered and be either determined on broad general lines, applicable to all offices which came under the same category, or else so limited in terms as only to afford relief to the office of employment of the particular individual to whom the provision is intended to grant relief and to cease upon his decease, and should afford no argument for creating an additional officer now in this and later in that office because it is done in this or in that office.

Mr. STAFFORD. Mr. Chairman, I rise to correct the impression of the gentleman who has just taken his seat as to the reason for incorporating this provision in the bill—that it was for only a temporary condition at Chicago. The committee considered well the advisability of extending this system of second assistant postmasters to all the leading post-offices. We directed the attention of the First Assistant Postmaster-General, Mr. Hitchcock, to this question, and asked him as to the advisability of having some additional supervisory official over the subordinate officials and employees at these large offices, and he believed that some such office should be provided. There was a difference of opinion as to the designation of the official. He thought it would be better to describe him as "chief clerk." The committee weighed the matter very carefully. We had before us letters from the officials at Chicago, pointing out the urgent need of having an additional administrative officer there to take the place when the assistant postmaster would be occupied with other duties, and to divide his work.

I wish also to direct the attention of the gentleman from Pennsylvania to the fact that under the existing law such a second assistant postmaster is provided for in the city of New York. The post-offices at New York and Chicago are in a separate class. The total receipts of the post-office at New York will aggregate \$20,000,000. At Chicago they will aggregate sixteen to eighteen million dollars. The next class, with Philadelphia and Boston, the receipts are six or seven million dollars.

There was this particular condition which was peculiar to Chicago. There they have not as many branch post-offices as in some of the other large cities. If the gentleman will study the conditions he will find that in the postal substations there is a certain limit as to the number of clerks and carriers that can emanate from a station to have the service well administered. In Chicago they have an enormous amount of mail center in the local office, and there is urgent need for this position. The position will be in the classified service, and we want, for the benefit of the service, to give the Postmaster-General the right to select a high-grade man, so as to equip that office that the work can be properly carried on. I do not believe, if the gentleman from Pennsylvania knew the facts, he would insist on the point of order, because he is only checking the administration of the great postal service. We are seeking to add but one official to the Chicago office in all these years, when the receipts have increased from \$5,000,000 to \$18,000,000. I ask the gentleman whether or not he does not believe that it is economy to have an administrative officer to share the duties of the other administrative officers when they are overworked so that they can not properly attend to all their duties? Is it not short-sighted policy to deprive the Chicago office of this high-grade administrative officer and thereby cause much

hampering of the service? I hope that this presentation and statement of the condition, together with the fact that the committee gave thorough consideration to the matter and that it was concurred in by the First Assistant Postmaster-General, will lead the gentleman from Pennsylvania to withdraw his point of order.

Mr. MOORE of Pennsylvania. Mr. Chairman, I rise to express satisfaction that my colleague from the State of Pennsylvania has been on guard and has been as watchful as our distinguished colleague from Illinois usually is. That a question should have arisen between the gentleman from Pennsylvania [Mr. WANGER] and the gentleman from Illinois [Mr. MANN] is extremely interesting of itself; but I join with the others who have spoken, to express the hope, in view of the vast increase of the business of the Chicago post-office, which increase, of course, has been identical with that of New York and Philadelphia, that my colleague from Pennsylvania will, in the interest of the needs of the post-offices of these three cities, withdraw his point of order.

Mr. OVERSTREET. Mr. Chairman, I would like to inquire what the parliamentary status is.

The CHAIRMAN. There is nothing before the committee at present.

Mr. OVERSTREET. I suggest that we proceed with the reading of the bill.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For compensation to clerks and employees at first and second class post-offices:

Superintendents of delivery, superintendents of mails, superintendents of money order, and superintendents of registry, eight, at not exceeding \$3,200 each.

Mr. GILL. Mr. Chairman, I move to strike out the last word, for the purpose of asking the chairman of the committee a question as to this paragraph:

For the compensation of clerks and employees at first and second class post-offices.

I desire first to ask if that provides for the payment of clerks, and also whether the bill provides for the payment of carriers, in accordance with the provisions in the act approved March 2, 1907.

Mr. OVERSTREET. Does the gentleman refer to what is commonly known as the "classification act?"

Mr. GILL. Yes.

Mr. OVERSTREET. If the gentleman will permit, I will state that for several pages immediately following this paragraph there are various items enumerating the clerks by the designations by which they are actually known in the service. There are so many superintendents of delivery, and so many superintendents of mail, etc. In the service, the classification act to which the gentleman refers undoubtedly controls, and the appropriation for the whole classification of clerks at first and second class post-offices is built up upon the total number of employees of these various grades of salaries, who are in the service on the 1st day of next July, the beginning of the new fiscal year, plus the provision of appropriation for the promotion of all of those employees who will be entitled to promotion under the classification act, and plus the new appointees who may be authorized under this act at the lowest grade of salary as provided under the terms of the classification act.

Mr. GILL. Then this act will not cover the necessary amount to pay for the promotions?

Mr. OVERSTREET. Oh, it does carry it. I will call the gentleman's attention to this. The item to which he directs the attention of the committee is at the bottom of page 5 of the bill. The various items covering the designated positions of the various employees, by their official character at various salaries, follow up until the middle of page 11 of the bill, where it says:

In all, \$28,661,500.

Now, that sum is made up of all of this variety of employees as follows: The total annual appropriation or annual expense necessary to pay all of them who are in the service at their respective grades of salaries, plus all the appropriation necessary to provide for the promotion under the classification act, plus all of the new men who will be appointed during the next year at the lowest grade of salary.

Mr. GILL. I just want to ask one further question. Under this provision the classification of the carrier and clerks is into six grades. Now, it is provided further that clerks and carriers at first-class offices shall be promoted successively to the fifth grade and clerks and carriers of the second-class offices shall be promoted successively to the fourth grade. I want to ask whether it is the intention of this act that when the first

classification is made there shall be no further promotions to the sixth grade in the one case and to the fourth grade in the second case.

Mr. OVERSTREET. Not unless there is appropriation specifically made by Congress.

Mr. GILL. Not unless it is specifically authorized by Congress in an appropriation bill.

Mr. OVERSTREET. If the gentleman will permit me to explain the theory of that classification act, I shall be glad to do so. The classification act first provides different grades—six grades—six, eight, nine, ten, eleven, and twelve hundred grades. Second, it provides for the automatic promotion from each grade to the next higher—

Mr. GILL. Up to the fifth and fourth.

Mr. OVERSTREET. And that automatic promotion depends upon two things—first, one year's service by the clerk in one grade, and second, a proper efficiency record of that clerk during that one year. The automatic character, however, of the classification stops arbitrarily at the thousand-dollar grade.

Mr. GILL. Only clerks at \$1,100, does it not?

Mr. OVERSTREET. It stops arbitrarily at the \$1,000 clerks in the second-class offices and at the \$1,100 clerks in the first-class offices. Therefore the classification act, so far as the authority for the promotion is concerned, halts absolutely at \$1,100 in the first-class offices. Now, so far as the clerks are concerned, there have been for a great many years clerks of the sixth, or \$1,200, grade. They are provided for in this bill. There has never been a grade of the sixth class, or \$1,200 grade, of carriers until it was authorized by the classification act. So far as this bill goes we have not recommended an appropriation for the promotion of the carriers from the fifth, or \$1,100, grade to the sixth, or \$1,200, grade.

Mr. GILL. Then, as I understand the gentleman, this promotion ceases now at the sixth grade in the first-class and at the fifth grade in the second-class post-offices until Congress will authorize through an appropriation bill an appropriation specifically for the money necessary to pay for the promotion?

Mr. OVERSTREET. Certainly—

Mr. GILL. In other words, it stops and will not go on until some further appropriation is made by Congress?

Mr. OVERSTREET. If the gentleman, Mr. Chairman, will hesitate just long enough for one further little thought, he will see at once that there is absolutely no provision for promotion of any post-office employee except the money is appropriated for it. There is—

Mr. GILL. I understand that.

Mr. OVERSTREET. So that I think the gentleman leaves the wrong impression.

Mr. GILL. They would not get the money if you did not appropriate it, but under the provisions of this act you certainly would appropriate it.

Mr. OVERSTREET. Certainly, and we always have.

Mr. GILL. As far as those who have already been promoted, and who perhaps would be entitled to be promoted, up to the fifth and fourth classes in the first and second class post-offices.

Mr. OVERSTREET. The difficulty of the gentleman is that he evidently confuses what is known as the arbitrary law of promotion and the ordinary rate of pay.

Mr. GILL. No; I do not think so.

Mr. OVERSTREET. Promotion stops absolutely under the law at the \$1,100 grade.

Mr. GILL. I think I understand the case, and that is that after the first classification there are no further promotions in the first class to the sixth grade, and in the second class to the fifth grade, until some further action is taken by Congress. In other words, there is notice to all the carriers and to all the clerks that they will not receive any further promotion in the first class to the sixth class and in the second class to the fifth class until the committee and this House say that there shall be further promotion.

Mr. OVERSTREET. Why, Mr. Chairman, I hardly think it is necessary to reply to such an inquiry as that, because it does not either state the fact or leave the proper impression with the committee. Suppose the gentleman would apply his argument to the clerks of the \$1,400 grade, or the \$1,300 grade, or of the \$1,200 grade? No provision is made there for arbitrary promotion any more than in the sixth grade or in the fifth. The committee, which is the servant of Congress, has not treated the clerks of the fifth grade any differently than it has treated the clerks of the sixth, seventh, and other grades. The only difference is in the classification which provided arbitrarily for an automatic promotion one year with another of certain grades, and that we provided for.



Mr. MANN. While the gentleman is on this subject, would he wish to discuss it?

Mr. OVERSTREET. I would prefer not to do so.

Mr. MANN. There is some point involved in the paragraph on page 11. I did not know but that the gentleman would prefer to explain that now.

Mr. OVERSTREET. I think it better to take it up at the proper point.

Mr. GAINES of West Virginia. If the gentleman will permit me, how are these promotions hereafter to be made?

Mr. OVERSTREET. They are made under the law. The law prescribes that the clerk or carrier from one grade to another shall be promoted in accordance with the year of service in the next lower grade and a proper efficiency record. I have not the law before me, but I can turn to it in just a moment.

The Clerk read as follows:

Auditors, two, at not exceeding \$3,000 each.

Mr. SHERWOOD. Mr. Chairman, I desire to offer the following amendment:

In page 6, line 1, "Auditors, two, at not exceeding \$3,000 each," strike out the word "two" and insert the word "five."

The Clerk read as follows:

Page 6, line 1, after "Auditors," strike out "two" and insert "five."

Mr. SHERWOOD. Mr. Chairman, I offer this in order to restore the \$70,000 recommended by the Postmaster-General as necessary to promote employees that receive not exceeding \$1,200. Now, there are 1,490 employees now directly interested in these promotions. Of this number, 270 are interested in promotion from \$1,300 to \$1,400, 50 are interested from \$1,400 to \$1,500, 7 from \$1,500 to \$1,600, 14 from \$1,600 to \$1,700, 2 from \$1,700 to \$1,800, 18 from \$2,000 to \$2,100, 18 from \$2,100 to \$2,200, 21 from \$2,400 to \$2,500, 3 from \$2,600 to \$2,700, and 3 from \$2,900 to \$3,000, making an aggregate of 1,496 employees directly interested.

The whole number of post-office employees are 29,371, and they are all interested in these promotions. I understand that the Postmaster-General has made a careful and scrutinizing investigation, and he regards this sum of \$70,000 as necessary. It is a mere bagatelle compared with the aggregate appropriations carried in this bill, which are \$28,061,500. These promotions in the Post-Office Department are automatic. There is no branch of the public service so near to the people, and there are no employees in the public service that render so much service for so meager hire as the employees of the Post-Office Department. I believe that this amount asked for by the Postmaster-General should be restored. I believe the recommendations of the Postmaster-General are wise and for the best interests of the public service. Of course I do not desire to criticize the Post-Office Committee. They have acted in a commendable way in reducing expenditures, but this House, when the military appropriation bill was under consideration, increased the pay of the Army in the aggregate \$4,000,000. Now, it does not look right to me to increase the pay of the idle men of the Army and deny the real workers the paltry sum of \$70,000. The Army to-day is an idle army. There is no use for the Army to-day, practically, and we all hope, every gentleman on both sides of this House, that we will have no use for it in the future. I do not want myself to go to the country on the statement that we have increased the pay of the Army \$4,000,000 and denied to the employees of the Post-Office Department the meager sum of \$70,000. This is saving at the spigot and wasting at the bung. I will say to the chairman of the committee that if he consents to this amendment I will not offer any more.

Mr. OVERSTREET. Mr. Chairman, I certainly can not approve of that amendment offered by the gentleman from Ohio. The point at which the gentleman proposes his amendment is the auditors at the rate of \$3,000. There are two in the service, and they are employed at the offices of New York and Chicago, the two great offices where auditors of this class are most needed. The comment of the gentleman that we need more provisions for promotion I think is a little weak, when we come to understand just what promotion the bill as it comes before the committee carries. It is the intention of the committee when they reach the proper point in the bill to offer to increase the \$2,000 item, and add ten additional employees. The reason that is provided for in the superintendents of stations in the larger cities is that the additional stations will very probably be necessary before the close of the next fiscal year.

We have, however, Mr. Chairman, made provision which will result in the promotion of over 20,000 clerks—19,845—and when we add the 10 to the superintendents of stations to the grade of \$2,000 it will make approximately 100 more. Therefore,

when the gentleman says that no provision has been made for promotions of these clerks he certainly is not figuring according to the best methods known to the service for that character of compensation. The committee, Mr. Chairman, is not guilty of cheeseparing. It is not narrow-minded when it comes to the preparation of these great postal-supply bills. The committee has sought to be liberal in its recommendations. Under the existing law we have in every instance given the service the benefit of the doubt where additional force might possibly be needed. We have provided amply and adequately for the promotion under the automatic scale of the classification act. While we have recommended partial promotion for clerks and for employees in the service this year, I think gentlemen will appreciate that there are good and sufficient reasons why a wholesale provision of promotion should not be made.

At the last session of Congress we appropriated approximately \$12,000,000, which was used solely for the purpose of the increase of the salaries of employees. We have felt, therefore, that this year—the very next succeeding session of the House following that liberal recommendation—we can well afford to halt and not make further provision solely based upon demands for increases of salary. I venture to say there is not a business concern in the country to-day, nor an enterprise of any magnitude, which, since the 1st of January, has voluntarily or involuntarily increased the salaries of its employees. Shall the Government be different from the ordinary individual in the transaction of its business? Shall it prosecute its business upon a more lax and liberal plan than private enterprise? It will not do to hurl at the committee the anathemas of gentlemen whose constituents, employees in the service, demand these increases, because we all have those constituents. I venture to say that in the district which I have the honor to represent there are a larger number of postal employees by far than in the average Congressional district of the country.

If I were to follow my own private desires to gratify my friends at home, and possibly stimulate their political activity in the coming campaign, then I might be guilty of forgetting my duty to the Government and the necessity of comparing existing conditions with former conditions, taking credit, if you please, for the liberal appropriation of the last session, and merely making provision adequate and ample for the service, without recommending general increases of salaries. I know these recommendations have been made by the Postmaster-General, but it does not necessarily follow that we should forget the need for careful estimates and careful computation. I think therefore that right at the outset of this bill it ought to be understood by this committee whether we are going to be guided in the conduct of the preparation of this supply bill by the necessities of the service, by fair methods of appropriation, by the conservative business principles which should prompt our action, or whether we are going simply to provide for wholesale increases of salaries for the mere purpose of gratifying individuals who happen to live in our districts. We have a bill here which carries in excess of \$220,000,000. We have provided for every proper increase of service made necessary by the growth of the business. We have answered every demand of the statute, carried by the classification act. We have provided for the increases of the different items which make up the great postal service; but we say to the House and to this committee that we do not believe it wise, in the first session after we have made liberal appropriation for increased salaries, that we should follow that by an additional increase based wholly and solely upon promotions. I hope the amendment will be disagreed to. [Applause.]

The CHAIRMAN. The question is on the amendment of the gentleman from Ohio [Mr. SHERWOOD].

The amendment was rejected.

The Clerk read as follows:

Superintendents of delivery, superintendents of mails, superintendents of money order, and superintendents of registry, eight, at not exceeding \$3,200 each.

Mr. DRISCOLL. Mr. Chairman, I just want to ask how the number of these superintendents of delivery and superintendents of mail and of stations, etc., is determined, whether arbitrarily or by the business of the different offices.

Mr. OVERSTREET. By the actual employment, as they are now employed. There is no change in the number of employees thus far in the bill.

Mr. DRISCOLL. Will they not graduate up in increases of salary as the business of the offices increases?

Mr. OVERSTREET. There are certain employees who do graduate up. I mean the superintendents of mail, the superintendents of money orders, of registry, etc., are graduated upon the salaries of the postmasters.

Mr. DRISCOLL. Some of these are superintendents of mail, and they are mixed up with superintendents of delivery.

Mr. OVERSTREET. These paragraphs are framed according to the actual conditions existing at the time the bill was drawn, the number of men employed in each division.

Mr. DRISCOLL. But as the business of the post-offices increases, will they not graduate up and get larger pay under the law?

Mr. OVERSTREET. The gentleman will remember that the law fixes a maximum. It is not mandatory that they shall have the maximum, but in almost all of them the maximum is reached, so that the appropriation is based upon the theory that they will be paid the maximum, or very nearly the maximum, which the law provides.

Mr. DRISCOLL. I was particular about that, because I know an instance where a man is not getting the maximum under the law on the amount of business done in the office, and I wanted to know whether the law required that, according as the office graded up in its receipts, the superintendent of mails was entitled to get 45 per cent.

Mr. OVERSTREET. The law is not mandatory. The law fixes the maximum to which the various employees of that class may be promoted, and, of course, if the office, by reason of increase of the volume of business, would justify a higher allowance than they could get, and the amount was not sufficient, they would stand over until the next appropriation.

The Clerk read as follows:

Assistant cashiers, assistant superintendents of delivery, assistant superintendents of mails, assistant superintendents of money order, assistant superintendents of registry, bookkeepers, cashiers, examiners of stations, finance clerks, superintendents of carriers, superintendents of delivery, superintendents of mails, superintendents of money order, superintendents of registry, superintendents of second-class matter, superintendents of inquiry, and superintendents of stations, eighty-five, at not exceeding \$2,000 each.

Mr. OVERSTREET. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 7, line 13, strike out the word "eighty-five" and insert the word "ninety-five."

Mr. WANGER. I desire to reserve a point of order on that.

Mr. OVERSTREET. Mr. Chairman, I was going to explain this amendment, and I did mention it briefly a moment ago. There are at present eighty-five individuals filling these various positions provided for in this paragraph. It is felt, however, that there is a strong probability that in some cities, particularly the larger cities, there would be need of additional superintendence of stations. This arises frequently by the discontinuance of smaller post-offices adjacent to and merging into the larger office, and the creation of a station for which the station agent would be appointed. The fact is in some large cities they need, and will need from time to time, an increased number of larger stations. This is at the grade of the two-thousand class of compensation, and the additional ten that this amendment would provide, raising the number from eighty-five to ninety-five, would be for the purpose of paying that class of employees.

Mr. WANGER. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana, chairman of the committee.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

Assistant cashiers, assistant superintendents of delivery, assistant superintendents of mails, assistant superintendents of money order, assistant superintendents of registry, assistant superintendents of stations, bookkeepers, chief stamp clerks, clerks, finance clerks, foremen of crews, private secretaries, superintendents of carriers, superintendents of second-class matter, and superintendents of stations, 2,954, at not exceeding \$1,200 each.

Mr. GOEBEL. Mr. Chairman, I move to amend, by striking out, on page 10, line 15, after the word "station," the words "two thousand nine hundred and fifty-four" and insert "five thousand six hundred and thirty-seven."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

On page 10, line 15, after the word "station," strike out the words "two thousand nine hundred and fifty-four" and insert the words "five thousand six hundred and thirty-seven."

Mr. GOEBEL. Mr. Chairman, the purpose of this amendment is to raise all clerks in first and second class post-offices out of the eleven-hundred-dollar and into the twelve-hundred-dollar grade. I shall follow that up, Mr. Chairman, with another amendment so as to include letter carriers. The purpose of this amendment, as it will be seen, is to give \$1,200 to clerks who are now receiving \$1,100, and thereby placing them in the highest grade which Congress at its last session created. The appropriation that was made last year permitted simply

those who were receiving \$1,000 to receive \$1,100. Congress failed to make an appropriation for the \$1,200 grade.

Mr. Chairman, I hope it may not be said of me that this amendment is offered for the purpose of stimulating political activity in my district.

As a member of the Post-Office Committee I contended last year that Congress ought to increase all salaries of post-office employees, except postmasters, at least 20 per cent. After some effort the eleven and twelve hundred grades were finally created. The reasons that existed then for establishing these two grades exist to-day, and it must therefore follow that the reasons for an appropriation are equally good. It was urged then that the kind of service that these clerks and letter carriers were rendering justified an increase, as well as the increased cost of living warranted such an increase. But it was also thought best not to make the increase of \$200 in one year, and advisable that no appropriation should then be made for the \$1,200 grade. To that, of course, no objection was made, since it was the purpose, at least as I believed, that the next year—to wit, this year—we might raise the appropriation so as to cover the \$1,200 grade. But the Post-Office Committee declined to recommend such appropriation.

It is urged now by the chairman of the committee, the gentleman from Indiana [Mr. OVERSTREET], that the conditions of the country at this time, and taking also into consideration the receipts of the Post-Office Department, would not warrant this increase. I submit whether salaries of post-office employees ought to depend upon income or the condition of the country. If salaries are to be graded according to receipts, then it must follow that if there is an increase in receipts the salaries must be increased, and if there is a decrease they must go down, and we would be annually adjusting and readjusting salaries. It would leave out of consideration the value of the services and the circumstances and conditions relating to living expenses and every other contingency.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GOEBEL. I ask for five minutes more.

The CHAIRMAN. The gentleman asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. GOEBEL. It seems to me, Mr. Chairman, that we ought to be consistent. We established a twelve-hundred-dollar grade last year. What was the purpose? Was it simply to have it appear that we were charitably inclined in that direction for the time being and then refuse to make the appropriation? Is it fair? Why do you continue the grade? Why not discontinue it. It is simply a delusion unless you make an appropriation. We thought last year that those services were reasonably worth \$1,200. Have we changed our minds? Are they worth less to-day? Has any reason been urged here why we should not make this appropriation other than the reasons the distinguished chairman of the committee has given, namely, that the receipts of the Post-Office Department at this time do not justify it, or that the conditions of the country do not justify it? But I submit that those are not valid reasons. I say this in all seriousness. I still maintain, as I did last year, that there ought to be an increase of 20 per cent, and I hope that the committee will take that view by adopting this amendment, which will give to these men what they are fairly entitled to.

Mr. OVERSTREET. Mr. Chairman, the gentleman from Ohio [Mr. GOEBEL] has been consistent in demanding his 20 per cent increase this year, but he has gotten considerably away from the reservation of facts. We did not appropriate last year enough money to increase all of the clerks of the eleven-hundred-dollar grade. Neither did we create last year the twelve-hundred grade of clerks. We have had the twelve-hundred grade for several years, and there were clerks employed in that grade; and there were clerks employed in that grade that were not promoted last year, because we did not authorize it. Therefore the House is not going to commit such a dreadful blunder if it stands by the recommendation of the committee, notwithstanding my colleague's very ingenious argument. What are the facts? The facts are still just as much a factor this year as last year, and will be hereafter. In the passage of the classification act providing for the automatic promotion from one grade to another under certain limitations, the sixth grade was put in as \$1,200. It existed at the time, and had existed for years, and the arbitrary promotion ceased at the \$1,100 grade, as I explained a while ago.

But when Congress made the appropriation last year under the classification act, it appropriated sufficient to promote 50 per cent of the \$1,100 grade to \$1,200. Therefore the amendment of the gentleman from Ohio [Mr. GOEBEL] now under consideration does more than he says we did last year, and all



he asks us to do is to be consistent and to do only what we did last year. This year the item for the \$1,200 grade carries 15 per cent increase over the current law. That is to say, 15 per cent of the total number in the \$1,100 grade will be arbitrarily promoted to the \$1,200 grade. Of course, when I say arbitrarily I mean as distinct from promotions that occur by reason of resignation, deaths, or other ordinary causes in the upper grades.

Mr. GAINES of West Virginia. Does the gentleman mean automatically?

Mr. OVERSTREET. No; I do not, because the automatic part stops at the eleven hundred grade. Gentlemen seem to continue to permit their minds to be confused with what is known as the "grade of classification" and what is known as "automatic promotion" under that classification. The grade is a \$1,200 grade, as a maximum grade of classification, and the automatic promotion stops with the \$1,100 grade. What the gentleman's amendment proposes to do is to provide for the promotion of every man in the \$1,100 grade to the \$1,200 grade.

Mr. GOEBEL. That would otherwise have come if the gentleman had made the appropriation.

Mr. OVERSTREET. But he keeps trying to leave the impression that the committee is violating the classification act.

Mr. MADDEN. Is it optional with the postmaster now whether he promotes from the \$1,100 to the \$1,200 grade?

Mr. OVERSTREET. It is not optional.

Mr. MADDEN. What is the requirement?

Mr. OVERSTREET. The requirement is the amount of money in the \$1,200 item.

Mr. MADDEN. Assuming there is a sufficient amount of money, then who has control of the promotion?

Mr. OVERSTREET. The control would be under the Department, of course, on the recommendation of the postmaster. I do not want to leave the impression that the recommendation of the postmaster is final.

Mr. MADDEN. What are the conditions under which the postmaster makes a recommendation?

Mr. OVERSTREET. The efficiency record and term of service.

Mr. MADDEN. That seems about the only condition required.

Mr. OVERSTREET. When the First Assistant Postmaster-General was before the committee two years ago, we inquired of him what was being done relative to the preparation of a uniform standard of efficiency. He stated that he was at work upon it. Another year passed, and he again announced that he was at work upon it.

Mr. MADDEN. Is he still at work upon it?

Mr. OVERSTREET. I do not know.

Mr. MADDEN. Has he made any progress with the work?

Mr. OVERSTREET. I do not know.

Mr. MANN. He is doing something else now with great perseverance, is he not?

Mr. OVERSTREET. The point is, Mr. Chairman, that there is no uniform standard or grade of efficiency, and in the absence of it the practice is to be very largely guided by the method pursued in the local post-office that makes the recommendation.

Mr. MADDEN. So that if the superintendent in a local office should have any grudge against a man under him he could give him a record that might not entitle him to promotion, whereas if his report was all right, and such a condition did not exist, he would be promoted?

Mr. OVERSTREET. I will say to the gentleman from Illinois [Mr. MADDEN] that the First Assistant Postmaster-General explained to the committee that there were a number of complaints made of that character, and each one of those complaints was inquired into. That if a clerk had been unfairly treated—if his efficiency grade had been underestimated by the postmaster and notice was obtained of the same by the Department—it was invariably investigated.

Mr. MADDEN. Did the investigation unearth any injustice to any of the men who might otherwise be entitled to promotion?

Mr. OVERSTREET. My recollection is that the statement was made that it did not reveal any.

Mr. MADDEN. The investigation would be largely an inquiry from those who were responsible for the discrimination, would it not?

Mr. OVERSTREET. I think it went further than that. Of course the persons primarily responsible for the recommendation would be given an opportunity to be heard. But it was not limited to them.

Mr. MADDEN. What opportunity was given to other people?

Mr. OVERSTREET. I do not recall. I only remember that the First Assistant Postmaster-General said they were investi-

gating, and I confess I know of no instance which came to the committee where there had been any abuse made of it at all.

Mr. MADDEN. At all events, there are no promotions from the eleven-hundred-dollar to the twelve-hundred-dollar grade now except upon the recommendation of the local postmaster and his assistants?

Mr. OVERSTREET. That is true; and the limited appropriation. I started to say, Mr. Chairman, that we do provide for a limited number of the \$1,100 grade promotions in order to take care of the appointments which may become necessary in the smaller stations in the post-offices to which clerks are usually appointed at the rate of \$1,200 a year.

Mr. MANN. I understood the gentleman to say that the amendment of the gentleman from Ohio [Mr. GOEBEL] would carry an increase of every one in the \$1,100 grade to the \$1,200 grade?

Mr. OVERSTREET. That is my understanding.

Mr. GOEBEL. There will be 3,215 clerks in the \$1,100 grade promoted to the \$1,200 grade.

Mr. MANN. That relates only to clerks.

Mr. GOEBEL. That is all.

Mr. OVERSTREET. Under the current law there are only 3,108 authorized in the \$1,100 grade, so that my statement was correct.

Mr. MANN. I was not finding fault with the statement. What I wanted to get was this information from the gentleman from Indiana [Mr. OVERSTREET] and the gentleman from Ohio [Mr. GOEBEL]: Supposing this amendment should prevail, it would not take care of the carrier. It would require another amendment?

Mr. GOEBEL. Yes, and I intend to offer that.

Mr. OVERSTREET. I would like to have the attention of the committee in order that these gentlemen who are not following the discussion may understand what it is for which they are called upon to vote. The amendment which is now before the committee is to increase the salary of every clerk in the \$1,100 grade in the offices of the first class. There is a promise held out by the gentleman from Ohio [Mr. GOEBEL] that if you will appropriate sufficient to increase the salaries of all these \$1,100 clerks, that he will lead a movement later to increase the carriers of the \$1,100 class. That means, I presume, that he will lead another movement to increase the rural carriers and other grades, and then I presume that this new knight errant will lead the march forward to the increase of the salaries of the railway mail clerks. And we must determine right here and now, whether or not we propose to go forward this session and increase the salaries of every one of these postal employees?

Will my friend from a rural district justify to his people an increase of the city carriers and clerks without an increase of the rural carriers? Will he say to his railway mail clerk constituents that he thought that Judge GOEBEL, of Cincinnati, was so gallant in his movement to increase the salaries of the clerks that he was swept off his feet and forgot and did not take care of the rural-delivery carrier and the railway mail clerk? Now, there is only one thing to do. My distinguished friend from Ohio has given one bit of very excellent advice. That is, we are to be consistent. We are consistent when we stand by the policy which has been adopted, namely, to make adequate and ample provision for the service, but not to make increases of salaries. When he says that we ought not to have provided the grade of \$1,200 unless we intended to promote the clerks from \$1,100 to \$1,200, I answer him that that grade of \$1,200 is older than his official service in this House. It was not created last year. He is not inconsistent, nor are we.

Mr. GAINES of Tennessee. I did not quite hear what the gentleman from Indiana said when he was speaking of the salaries of the rural carriers.

Mr. OVERSTREET. I said here was an amendment before the committee providing for an increase of carriers of the \$1,100 class in the first-class offices, and the gentleman who offered the amendment held out the promise that if that were carried he would make a motion to increase the salaries of the city carriers; and I made reference to that and said, "How are we going to justify ourselves to the rural carriers in making no increase to them?"

Mr. MANN. That proposition is subject to a point of order, increasing the rural carriers.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GOEBEL. I move to strike out the last two words.

Mr. Chairman, we might as well have it out now, as the chairman of the Post-Office Committee put it; let the committee determine now whether it will make any increases in salaries. I want to say to you that I shall offer an amendment increasing the salaries of letter carriers. I am also going to offer an

amendment to compensate the railway mail clerks for their actual expenses while in performance of their duties.

Mr. BUTLER. Are you also going to offer to increase the salaries of the rural carriers, too?

Mr. GOEBEL. No.

Mr. BUTLER. Why discriminate against them?

Mr. GOEBEL. I am going to leave that to you.

Mr. BUTLER. You will be ringing the big bell on that, and there will be several others.

Mr. OVERSTREET. You know it is subject to a point of order.

Mr. GOEBEL. The gentleman from Indiana anticipated me somewhat. His purpose in telling what I was going to do was to impress the Members of the enormous amount involved in the amendments. I do not want to mislead this committee. I am going to offer them because I believe they are right and ought to be adopted, and I am simply carrying out the view I have always entertained with reference to these matters.

Mr. GAINES of Tennessee. Mr. Chairman, the gentleman from Indiana apprehends that there may be a demand to increase the salaries of rural carriers. Congress has nurtured the rural-delivery system from a mere infant in 1896, when it started, at a salary of \$150 at first, and in a little while raised it to \$300, and at about \$100 a year, or about that amount, with the exception of a few years or sessions, until the maximum salary was fixed at \$900 by the appropriation bill which was approved March 2, 1907, carrying appropriations for the fiscal year ending June 30, 1908.

The rural-delivery system, we all remember, was "experimental" for a number of years. Congress did not know whether it would prove a success in this country or not. Congress was uninformed as to what it would cost. Postmaster-General Wilson thought that he could get carriers—boys in their teens and along in that class—for about \$300 a year. He did not know then, and Congress has had to work in the dark, feel its way along from year to year, and increase the salary and elaborate the system from time to time, in an honest effort to get at the just compensation and a proper and necessary system for the benefit of the largest number of people possible for the outlay. The appropriation act approved June 13, 1898, for the fiscal year ending June 30, 1899, contained words found, I believe, in all the acts down to and including the year 1902, showing that the system was "experimental" up to that time.

The act of June 13, 1898, provided that—

For experimental free rural delivery, including pay for carriers, horse-hire allowance, supplies, and mechanical appliances, \$150,000.

The act of March 1, 1899, for the fiscal year ending June 30, 1900, provided—

For experimental free rural delivery, including pay for carriers, horse-hire allowances, supplies, and mechanical appliances, \$300,000.

The next act, of June 2, 1900, for the fiscal year ending June 30, 1901, had the same words, with a larger appropriation, as follows:

For experimental rural free delivery, including pay for carrier, horse-hire allowance, supplies, and mechanical appliances, \$1,750,000.

The next year, rather the next act, was approved March 3, 1901, for the fiscal year ending June 30, 1902, and contained practically the same words, with more money than the last act. It provided—

For experimental rural free delivery, including pay for carriers, horse-hire allowance, supplies, and mechanical appliances, \$3,500,000.

At this time there was a very strenuous effort made to switch off this rural free-delivery system into the "contract system," let it, after advertising, to the lowest bidder, or something like that, claiming that a better and cheaper service could be had. But we defeated that, and thus pushed the rural system along.

A few months previous to this the Department prohibited the carriers from carrying any express packages, and Congress in the next act, approved April 21, 1902, appropriated—

For pay of letter carriers of rural free-delivery service, \$7,000,000. In all, for rural free-delivery service, \$7,529,400: *Provided*, That on and after July 1, 1902, the Postmaster-General be, and is hereby, authorized to classify the rural free-delivery service and fix the compensation to employees in such service, etc.

And further provided that—

Carriers at salary not exceeding \$600 per annum, and no other or further allowance or salary shall be made to said carrier. But the carriers shall not be prohibited from doing an express-package business, provided it does not interfere with the discharge of their official duties.

About this time there was a strong effort made to substitute the "contract system," a sort of "star-route service," for this rural delivery system. But we defeated that. I stood against it and sought cautiously, but surely, as a great majority of Congress did, to raise up this infant, build up this "experimental"

rural-route system into a fixed system, to extend throughout the country, as rapidly as we could. And I am glad we did. It has been a blessing to the country people.

It was suggested in the debate by the present Speaker, Mr. CANNON, and possibly by others who were disposed to favor the contract system, that this express privilege would amount to about \$400 a year, and that with this privilege given back to the carrier and a \$600 salary a proper compensation would be given a carrier and a good service had. Hence Congress did so. It was proposed by the gentleman from Illinois [Mr. CANNON] to give the carrier \$1,000 salary, but the then friends of the rural system, fighting as they were against the contract system and facing the opposition that was coming from the cities, felt that to fix a salary at this rate, \$1,000, at this critical time would break down the rural system and give us the star-route or this contract system, which we were trying to avoid. Hence the \$1,000 proposition failed, and the salary of \$600 was agreed upon, with the express-package privilege annexed and given back to the carrier. I am glad we did defeat this star-route or contract system and saved and have built up this rural system.

The next act, approved March 3, 1903, for the fiscal year 1904, provided as follows:

In all, for a rural free-delivery service, \$12,621,700.

The next act, for the fiscal year 1905, approved April 28, 1904, provided—

For pay of letter carriers and clerks in charge of substations of rural free-delivery service, \$20,180,000: *Provided*, That not exceeding \$12,500 of the amount hereby appropriated may be used for compensation of clerks in charge of substations.

On and after July 1, 1904, letter carriers of the rural free-delivery service shall receive a salary not exceeding \$720 per annum, and no other or further allowance or salary shall be made said carriers; and on and after said date said carriers shall not solicit business or receive orders of any kind for any person, firm, or corporation, and shall not, during their hours of employment, carry any merchandise for hire: *Provided*, That said carrier may carry merchandise for hire for and upon request of patrons residing upon their respective routes, whenever the same shall not interfere with the proper discharge of their official duties, and under such regulations as the Postmaster-General may prescribe.

The next act, approved March 3, 1905, for the fiscal year 1906, "for the rural free-delivery service, \$25,828,800," which set on foot this great system and firmly fixed it in our postal laws for all time to come.

The next act, approved June 19, 1906, for the fiscal year 1907, provided:

For pay of letter carriers and clerks in charge of substations of rural-delivery service, \$28,000,000. *Provided*, That not to exceed \$15,000 of the amount hereby appropriated may be used for compensation of clerks in charge of substations: *Provided further*, That rural letter carriers, after twelve months' service, be allowed annual leave, with pay, not to exceed fifteen days; the substitutes for carriers on vacations to be paid during said service at the rate of \$600 per annum.

The last act, approved March 2, 1907, provided:

For pay of letter carriers, substitutes for carriers on annual leave, and clerks in charge of substations of rural-delivery service, tolls, and ferriage, \$24,900,000. That on and after July 1, 1907, letter carriers of the rural-delivery service shall receive a salary not exceeding \$900 per annum: *Provided*, That rural letter carriers, after twelve months' service, shall be allowed annual leave, with pay, not to exceed fifteen days; the substitute for carriers on vacation to be paid during said service at the rate paid the carrier.

At a glance it is seen how rapidly this system has grown and how responsive Congress has been in strengthening, spreading, dignifying, and popularizing the service; and the people have indorsed it without a murmur. But I do insist that we can, without any detriment to the public service, expand this package provision of the law so as to let the carrier, within certain proper limitations, carry packages backward and forward not only to patrons, but to nonpatrons, say, in a given territory, and in this way improve the service and increase the usefulness of this convenience, as well as the income of the carriers. This provision—that is, confining this package service to patrons only—was itself an "experiment," and now we see where we can improve on the experiment without any harm to anyone, and I think we should do it. We see how it works, we know more about it, and the whole service, as to that, than we have at any time heretofore; and I think we should, as we have done, as we gather wisdom, utilize it to the upbuilding of this system and for the benefit of the people and the public service, and I have called this matter to the attention of the House and to the industrious and intelligent committee which controls our postal legislation, that it may give consideration at an early day to this package proposition when it takes up the salary proposition.

For my part, I am for more pay for the rural carriers if the present pay is not just and reasonable. Of course it is practically useless to offer an amendment at this time. It would



be subject to a point of order and be defeated and possibly hurt the proposition. I have not carefully considered this package proposition. I have not had the time; but anyone can see with a little study that this proposition, as it now reads in the law, is too limited. I have talked to a number of Members on this subject, and they all agree with me that this language, "patrons residing on their respective routes," is unnecessarily narrow and unnecessarily restricts and cuts down the chances and possible income of the carrier to the detriment of the people and the carrier, too. I personally know that, because of the narrow operation of this provision, I have had to hire a horse and buggy and pay a boy to go 10 miles into the country to take a small package of medicine, or something of that kind.

Whereas, if you would allow this law to be more liberal than it is, I could give the carrier half a dollar and he would be glad to take it. He would put the half dollar in his pocket and I would keep the four dollars and a half in mine, which I paid for the hire of the horse and buggy. There is the milk in the cocoanut. You can very easily help the rural carrier along, and you can very easily help the country people along, and you can build up this magnificent system and make it what it should be, and comfort the people and help the rural carrier, by eliminating that narrow, and I want to say unintentionally narrow, proposition. I desire to insert here a couple of letters which bear on this question of rural salary and the cost of maintenance. I ask unanimous consent to do that.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to insert in the Record the documents which he has indicated. Is there objection?

There was no objection.

The letters are as follows:

POST-OFFICE DEPARTMENT,  
OFFICE OF THE FOURTH ASSISTANT POSTMASTER-GENERAL,  
Washington, February 24, 1908.

Hon. JNO. WESLEY GAINES, House of Representatives.

SIR: In response to your telephonic request of this date to be advised of the various changes in the compensation paid to rural letter carriers since the institution of the rural delivery service, I beg leave to state that the pay of rural carriers when the service was first started, October, 1896, was placed at \$150 and afterwards at \$300 per annum. In 1898 it was raised to \$400 per annum. On July 1, 1900, it was further increased to \$500 per annum. Previous to March, 1902, the Congress took no action toward fixing the salary or compensation of rural carriers, leaving the matter entirely to the Department. In March, 1902, anticipating action by the Congress, the maximum salary was increased to \$600 per annum.

In the act making appropriation for the postal service for the fiscal year beginning July 1, 1902, the Postmaster-General was authorized to fix the salaries of rural letter carriers at not exceeding \$600 per annum.

Up to this time the limit in the length of a route was 25 miles, and 20 miles was regarded as the standard route. With a view to securing greater uniformity in adjusting the compensation of carriers the following schedule was adopted:

	Per annum.
Routes not less than 20 miles.....	\$600
Under 20 and not less than 16 miles.....	500
Under 16 and not less than 12 miles.....	400
Under 12 and not less than 8 miles.....	300
Under 8 and not less than 4 miles.....	200

In addition to the carrying of the mails, rural carriers were permitted to augment their income by carrying express matter for hire outside of the mails.

At this time the service was growing very rapidly, the extent of area covered increased, and the conditions under which the service was operated grew more varied. It was found practicable in the western prairie States to establish routes of greater length than 25 miles, and in the hilly or mountainous sections it was found practicable to operate routes of greater length than 20 miles, or about an average of 23 miles, and the work and wear and tear involved in serving routes in the western prairie States of 26, 28, and even 30 miles was no greater than on routes of 24 miles in hilly or mountainous sections.

Effective July 1, 1904, the Congress increased the maximum compensation allowed to rural carriers to \$720 per annum. This provision carried with it a discontinuance of the privilege of acting as agents for newspapers and restricted the express-carrying privilege, so that now they may carry unmailable matter for hire for and upon the request of patrons only.

With the rapid development of the service referred to, the question arose as to the most equitable basis of readjusting the salaries of carriers. After careful consideration it was determined that to fix the compensation of carriers on the basis of the length of their routes as shown by the records of the Department, while not absolutely equitable, would be the most satisfactory, as it was found to be impracticable to take into consideration the various conditions under which the service is operated, because of the wide difference existing in the several States of the Union, and, indeed, in different sections of the same State.

As already stated, the standard route had been regarded as 20 miles. There was much complaint from carriers serving routes from 25 to 30 miles in length because they were given no greater compensation than those carriers whose routes were but 20 or 25 miles in length. These conditions and the increase in the maximum salary made necessary a readjustment of the basis of fixing compensation and, inasmuch as it was found that about one-half of the routes in operation June 30, 1904, were 24 miles in length, and as the average length of routes had increased to nearly that figure, it was thought equitable that the standard route be fixed at 24 instead of 20 miles, and that the maximum salary

be paid to carriers on routes of that length or more. Accordingly the following schedule was adopted:

	Per annum.
8 to 10 miles.....	\$432
10 to 12 miles.....	468
12 to 14 miles.....	504
14 to 16 miles.....	540
16 to 18 miles.....	576
18 to 20 miles.....	612
20 to 21 miles.....	648
21 to 22 miles.....	666
22 to 23 miles.....	684
23 to 24 miles.....	702
24 miles and over.....	720

About eighteen months ago, finding that a moderate estimate of the original average cost of horses and vehicles to be about \$275, and the average annual cost of maintaining an outfit about \$250, and, therefore, the average annual cost of the carrier's outfit to be not less than \$300 to \$340, and, further, that the cost of living had increased, so that the compensation then paid was regarded as inadequate, it was recommended to the Congress that the maximum salary to be allowed rural carriers be increased to \$900 per annum.

This recommendation was adopted in the act making appropriation for the postal service, and for other purposes, for the fiscal year beginning July 1, 1907. With the increase in the maximum compensation from \$720 to \$900 per annum a further readjustment was necessary.

After giving the matter very careful consideration, and with a view of conforming to the evident intent of Congress that carriers receive a compensation as will enable them to properly maintain their equipments, in which case it is manifestly essential that carriers on routes of 24 or more miles should be given greater compensation than those serving routes of less mileage, some of which it is practicable to cover with one horse, while on all routes of 24 or more miles two or more horses are necessary, the following schedule, which is now in effect, was adopted July 1, 1907:

	Per annum.
6 to 8 miles.....	\$396
8 to 10 miles.....	432
10 to 12 miles.....	468
12 to 14 miles.....	504
14 to 16 miles.....	540
16 to 18 miles.....	576
18 to 20 miles.....	612
20 to 22 miles.....	648
22 to 24 miles.....	684
24 miles and over.....	720

Trusting that you will find the information herein given satisfactory, I am,

Very respectfully,

R. H. PRENDERS,  
Acting Fourth Assistant Postmaster-General.

POST-OFFICE DEPARTMENT,  
OFFICE OF THE FOURTH ASSISTANT POSTMASTER-GENERAL,  
Washington, February 26, 1908.

Hon. JOHN WESLEY GAINES, House of Representatives.

SIR: Referring to your request to be furnished with data giving the average cost of subsistence of rural carriers, including shoeing, repairs, etc., and the average income derived by rural carriers from carrying unmailable matter outside of the mails for hire, I beg leave to say that from the data at hand, which was collected about eighteen months ago, it is found that the average annual cost of maintaining a rural carrier's vehicle and team is about \$250. This includes forage, repairing, shoeing, blankets, and veterinary service. The average cost of horses and vehicles, as computed from the data at hand, is about \$275, and, estimating the period of usefulness of carrier's vehicle and horses at five years, would represent an annual deterioration in a carrier's vehicle and horses of about \$55, which, together with the cost of maintenance of carrier's vehicle and team of \$250 per year, would make the average total cost to the carrier about \$305 per annum.

The foregoing figures were derived from data showing the cost of keep for two or more horses to each carrier. It was found that a majority of the carriers use more than one horse, and that some of them use as many as four horses. The monthly cost of keep of horses varies in the different sections of the country, being as low as \$6 per month in some sections, and as high as \$15 per month in other sections. Of course, there is a large number of carriers who produce their own horse feed, which requires no actual outlay of money, but this number is not known; consequently the deductions are made from those carriers who pay for the keep of horses out of their salaries as carriers.

The Department has never collected data showing the income derived by carriers in carrying unmailable matter for hire, and can not state, even approximately, the average amount earned per annum by each carrier in this manner.

Very respectfully,

P. V. DE GRAW,  
Fourth Assistant Postmaster-General.

Mr. CALDER. Mr. Chairman, at the closing session of the Fifty-ninth Congress a bill was passed reclassifying the salaries of post-office clerks and letter carriers, and it was thought by the Member interested in the measure that it would provide six grades, with annual promotions ranging from \$600 to \$1,200, in first-class post-offices, and four grades, ranging from \$600 to \$1,000, in second-class offices. Provisions were made in the post-office appropriation bill to provide for all necessary increases for the fiscal year ending June 30, 1908, and the letter carriers and clerks in the fifth grade had been looking forward to promotion to the sixth, or \$1,200 grade, beginning July 1 next. We find, however, that the bill now under discussion does not make provision for the single promotion of a letter carrier to the sixth grade, notwithstanding the fact that the First Assistant Postmaster-General made a recommendation for the promotion of at least 50 per cent of the carriers. I find in going

over the report of the First Assistant Postmaster-General that he makes a statement to the effect that—

The new salary law has accomplished much toward raising the efficiency of post-offices to a higher standard, and has placed the compensation of postal employees on a substantial and satisfactory foundation, making it possible for the Department to retain efficient clerks and carriers, and to induce other high-grade men to seek employment in the service. Postmasters and special agents of the Department state that the new legislation is not only bringing better men into the service, but has caused marked improvement in the quality of the work done by employees previously appointed. The higher compensation and greater opportunity for advancement offered have checked the alarming increase in the rate of resignation from the service, while the number of applicants for appointment has so increased that little difficulty is anticipated in filling future vacancies.

The passage of the reclassification act has undoubtedly infused into the great army of post-office employees a new spirit of enthusiasm for the service and of loyalty to the Department, the effect of which can not be overestimated.

If Congress passes this appropriation bill in its present form without making any provisions whatever for promotions of these men to the \$1,200 grade, to my mind it can have only one effect, and that is to cause disappointment and discontent among the employees. As the Members of the House are well aware of the great number of resignations from the clerk and carrier service prior to the passage of the new salary law, I believe it is the duty of the House to encourage and foster the spirit now prevailing among these employees of the Government by making an appropriation which will provide for their promotion to the sixth grade, as Congress had intended when the law was enacted one year ago.

I also noted in the recommendations of First Assistant Postmaster-General Hitchcock a strong recommendation for thirty days' annual leave of absence for the letter carriers and postal clerks. This gentleman, who made a careful study of the service and the conditions surrounding the employees, stated:

Post-office employees are allowed by law fifteen days' leave of absence with pay each year. Most of the other employees of the Government, whether in the Executive Departments at Washington or stationed elsewhere, receive thirty days' annual leave. There seems to be no good reason for such discrimination against postal employees. Nowhere in the entire Government establishment are the hours of service longer, the conditions of employment more trying, or the amount of overtime work greater than in our post-offices. There is consequently no class of Federal employees more in need of a considerable period of complete relief from their duties each year than those connected with the postal service. The policy of granting thirty days' annual vacation could be extended with advantage to every branch of this service. A longer period of rest and recreation would undoubtedly result in bettering the health of the employees and increasing their working capacity. It is believed also that the prospect of receiving a month's vacation with full pay would have a greater influence in attracting capable men to the service than any other inducement that could be offered at equal expense. As a rule, a post-office clerk prizes his fifteen days' annual leave of absence (which costs the Government less than \$5) more than he would value an addition to his salary of several times that amount. Carriers' vacations are more expensive, as hitherto it has been deemed necessary to provide a substitute for every carrier on leave, whereas clerks "double up" during the vacation season, when business is light, and perform the work of absentees with comparatively little additional help. Nevertheless, the carriers undoubtedly value their annual leave of absence far above its cost.

It is important to make employment in the postal service attractive. Inability to secure competent employees, especially in the West, has been for years one of the most serious difficulties confronting the Department. The only effective method of solving the problem is to increase the salaries and to improve the conditions of employment. Inasmuch as the positions of clerk and carrier are open to public competition, the character of the men secured will depend directly on the inducements offered. The beneficial result of a general increase in salaries is already apparent. A lengthening of the period of annual vacation would have a similar effect.

I heartily concur in the sentiment expressed by the First Assistant Postmaster-General, knowing as I do the conditions under which these men work. Should a letter carrier meet with injuries during the performance of his duties, his salary ceases at once and he is left to shift for himself unless he be fortunate enough to be a member of the Letter Carriers' Association, in which event his brothers in the service look after his personal wants during his illness. If this additional leave of absence was given to the clerks and carriers they would have an opportunity when their health became impaired to lay off a few days for the purpose of recuperating, and in the end I believe it would be a saving to the Government by insuring efficient service by healthy and contented men at all times. All employees of the Government service in the Departments have been enjoying thirty days' annual leave for years, and I do not believe there is a single Member of Congress who would take away from them this privilege. I therefore hope and trust that the committee can see their way clear to present this matter to the House when the bill comes to a vote.

I would also like to enlighten the House on another matter regarding the trials and hardships under which the letter carrier serves during his apprenticeship before receiving a regular salary from the Government. After passing the required civil-service examination and receiving a standing high enough on the eligible list he is sent for by the local postmaster and sworn in in the regular manner and is told he must procure

a uniform at his own expense, after which he shall report for duty. This requirement having been attended to, the new recruit, full of hope and ambition, returns to the post-office only to find that instead of receiving an appointment at a regular salary he must first serve as a substitute, for which service he receives a compensation of 30 cents an hour, and employment is only given him when the regular carriers are off on their vacations or when they become sick and disabled and unable to perform their regular duties. This apprenticeship varies in time, and I have been informed that the average throughout the country is about three years, and that during this period of time they eke out a very precarious living. Now, gentlemen, the law passed at the last session of Congress aimed to better the conditions of these men, but I am sorry to say that they have not benefited much, if any. I would ask the committee and the Members of this House in simple justice to the substitute carriers to allow them pay for a full eight hours on Sundays and holidays when they are employed on these days. Under the present system if a substitute carrier works on Sundays and holidays he is only paid at the rate of 30 cents an hour for the actual number of hours he is employed. I do not know of any other class of employment where such an unsatisfactory condition of affairs exists, and it certainly is a rank injustice to these men. When they are working in the places of regular carriers off duty without pay a full day's wages is deducted from the salary of the regular carrier by the Government, but the substitute who performs all of the service on that Sunday or holiday is only paid 30 cents an hour for the three or four hours he might work, notwithstanding the fact that his hour for reporting at the office is 6 o'clock in the morning, when the average citizen is lying asleep in his bed. Now, gentlemen, these are facts that I trust you will give your most earnest consideration, and I feel satisfied if you do that you will grant these few concessions that I ask in the name of equity and justice.

The Clerk read as follows:

For allowance to third-class post-offices to cover the cost of clerical services in offices where the salaries of the postmasters range from \$1,600 to \$1,900, \$625,000: *Provided*, That no allowance in excess of \$400 shall be made where the salary of the postmaster is \$1,600 or \$1,700; nor in excess of \$500 where the salary of the postmaster is \$1,800 or \$1,900.

Mr. OVERSTREET. Mr. Chairman, I offer the amendment which I send to the Clerk's desk.

The Clerk read as follows:

Page 11, lines 12 and 13, strike out \$28,661,500 and insert \$28,681,500.

The amendment was agreed to.

Mr. GOLDFOGLE. Mr. Chairman, I offer the amendment which I send to the Clerk's desk.

The Clerk read as follows:

After line 13, page 11, insert:

"That after June 30, 1908, clerks, letter carriers, and other employees in first and second class post-offices and in other post-offices having city-delivery service may be granted leave of absence with full pay for not exceeding thirty days in a fiscal year."

Mr. OVERSTREET. Mr. Chairman, I make the point of order against that amendment.

Mr. GOLDFOGLE. I ask the gentleman to reserve the point of order.

Mr. OVERSTREET. I reserve the point.

[Mr. GOLDFOGLE addressed the committee. See Appendix.]

The CHAIRMAN. Does the gentleman from Indiana insist on his point of order?

Mr. OVERSTREET. I do.

The CHAIRMAN. The amendment undoubtedly violates the law, which says that new legislation shall not be carried on an appropriation bill. The point of order is therefore sustained.

Mr. WANGER. Mr. Chairman, I move to strike out the last word. Referring to the remarks of the gentleman from New York [Mr. GOLDFOGLE], I beg to say that for the purpose of extending the period of leaves of absence in the postal service there have been some bills introduced, and they are now pending on the Calendar in the Committee on Expenditures in the Post-Office Department. Nobody has asked for any hearing upon them. So far as performing the functions of the committee and dealing with the matter, the committee has no information that any Member of the House is interested in the subject.

Mr. FITZGERALD. Since when has that committee become vitalized so that anybody could find the committee and ask it to give a hearing on any question? It has been moribund since I have been in Congress for the last nine years.

Mr. WANGER. My friend from New York has been slumbering. The committee has been vitalized by the Speaker of the House in appointing the committees. The committee has been ready and willing—I do not say that I can conscientiously say that it has been anxious [laughter]—to discharge its duties.



They have discovered that instead of an effort to hinder it in the discharge of its duties fixed upon it by the rules of the House, as was the disagreeable experience of the chairman a couple of years ago, there is at least an assurance of support in the performance of duty, and the committee was organized in the latter part of January and has been meeting frequently since that time.

Mr. FITZGERALD. Were these bills referred to the gentleman's committee before or after the committee took life again?

Mr. WANGER. Does my friend mean by "taking life again"—well I will say that it was since the committee was appointed.

Mr. FITZGERALD. To relieve the gentleman from embarrassment—

Mr. OVERSTREET. Mr. Chairman, I make the point of order that there is nothing before the committee.

The CHAIRMAN. The gentleman from Pennsylvania moved to strike out the last word, and he is speaking to the amendment.

Mr. WANGER. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

Mr. FITZGERALD. I move to strike out the last word for the purpose of making a very brief statement. The gentleman from Pennsylvania has called the attention of the House to an important fact, and that is that a certain class of bills which heretofore has been referred to the great Committee on the Post-Office and Post-Roads has in this session of Congress been taken from that committee and sent to the Committee on Expenditures in the Post-Office Department. In view of the history of the committee and the gentleman's statement, it occurs to me that perhaps these bills have not been referred to the gentleman's committee in order that hearings may be had upon them, but that they were deliberately referred to the gentleman's committee because it is a notorious fact that it would be an utter impossibility to have the committee meet and give anybody interested a hearing upon the bill.

Mr. WANGER. Oh, Mr. Chairman—

Mr. FITZGERALD. Now, if there has been a change and the committee is in readiness to do business, I wish to assure the gentleman that any number of Members of the House will be delighted to give the gentleman's committee all the opportunity he desires to consider measures before his committee. Mr. Chairman, since there is objection to this important amendment, with the permission of the House I will withdraw the amendment.

Mr. OVERSTREET. I make the point of order that there is no question before the House.

Mr. WANGER. Mr. Chairman, I must object for the present to the gentleman withdrawing his amendment, for I wish to inform him that when he says the bills were referred to this committee, knowing that meetings would not be called and that no action could be taken, I refer him to the record of the Fifty-eighth Congress when action was taken by the committee and it was sought to exercise the jurisdiction which the rules apparently gave but was denied by the House.

The CHAIRMAN. Will the gentleman suspend a moment? The Chair understood the gentleman from Indiana to make the point of order that there was nothing before the committee.

Mr. OVERSTREET. I did, and the Chair has not decided it yet.

The CHAIRMAN. The gentleman from New York asked unanimous consent to withdraw his amendment, and the gentleman from Pennsylvania objected, so that the amendment is still before the committee.

Mr. WANGER. I merely wanted to inform my friend from New York that the committee had met and acted in the Fifty-eighth Congress upon all matters in which it was requested to act by anybody.

Mr. OVERSTREET. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. OVERSTREET. What motion is before the committee?

The CHAIRMAN. A motion to strike out the last word.

Mr. OVERSTREET. Mr. Chairman, I make the point of order that the argument is not germane to the amendment.

The CHAIRMAN. The Chair now understands that the gentleman makes the point of order that the debate must be germane to the amendment, which is correct.

Mr. WANGER. I understand that, Mr. Chairman. I propose to proceed in order upon the pending amendment, and to withdraw my objection to the motion of the gentleman from New York [Mr. FITZGERALD] to withdraw his amendment.

The CHAIRMAN. The objection of the gentleman from Pennsylvania [Mr. WANGER] to the request of the gentleman from New York [Mr. FITZGERALD] for unanimous consent to withdraw his amendment, being withdrawn, the amendment will be considered as itself withdrawn, and the Clerk will read.

The Clerk read as follows:

And the appointment and assignment of clerks hereunder shall be so made during the fiscal year as not to involve a greater aggregate expenditure than this sum, and the assignment of the several grades of compensation to the various offices shall be made, so far as practicable, in proportion to the amount of business transacted through such offices and the respective divisions thereof.

Mr. MANN. Mr. Chairman, I reserve the point of order on the paragraph. As I understand the classification of last year, it provides for the so-called "automatic promotions" within the discretion of the postmaster.

Mr. OVERSTREET. Oh, no; not within his discretion. Every clerk and carrier of relative grades defined by the statute are automatically promoted when they have served one year in the next lower grade, and have a proper efficiency record.

Mr. MANN. I used the term "discretion" possibly a little erroneously—within the discretion of the postmaster as to the efficiency of the clerk, so that if the postmaster finds that a clerk in the \$600 grade has been efficient, he must promote him to the \$800 grade, and from the \$800 to the \$900 grade. If the postmaster finds the clerk is efficient, he is absolutely entitled to his promotion, regardless of the appropriation, and if there is not a sufficient appropriation, then the man has a right to make his claim in the Court of Claims.

Mr. OVERSTREET. Oh, I presume if there were no appropriation at all, if for any cause the appropriation failed, the employee whose promotion and pay are provided for under the classification act would undoubtedly have a right of action in the Court of Claims. The method, however, of the promotion, so far as it is determinable by the efficiency record of the employee, as I stated a while ago, has not been entirely satisfactory. There ought to be a uniform standard of efficiency similar throughout the country; but in the absence of that the standard is governed by the boards of efficiency in the various post-offices.

Mr. MANN. It is practically the discretion of the postmaster as to the efficiency. I am not raising a question about that.

Mr. OVERSTREET. If the gentleman will permit me to read into the Record just that provision of the law I think it will be a good idea:

No promotion shall be made except upon evidence satisfactory to the Post-Office Department of the efficiency and faithfulness of the employee during the preceding year.

That puts primarily upon the Post-Office Department the final determination of the efficiency record, but the Post-Office Department can not send committees around to all of the offices to make inquiry into the individual cases, and therefore they leave the determination of the first recommendation for efficiency to such board of efficiency as the local postmaster may himself provide.

Mr. MANN. Now, this year there was a deficiency in the appropriation, which has already been provided for.

Mr. OVERSTREET. And may occur at any time under well-known conditions.

Mr. MANN. Can it occur under this provision of the bill—And the appointment and assignment of clerks hereunder shall be so made during the fiscal year as not to involve a greater aggregate expenditure than this sum—

and the sum referred to is the sum of \$28,661,500?

Mr. OVERSTREET. The reason of that limitation is this: That taking a table of the various grades of employment from the \$600 grade to the \$3,200 grade, of which there are eight, if you multiply each separate salary, as determined by the grade, by the total number of employees authorized under the law, it will make a greater sum than \$28,661,500. But because of the fact that all of the promotions do not fall upon the first of the new fiscal year, and because of the further fact that all of the new appointments for the new service do not occur upon the first of the fiscal year, it will require less money than the total which would be calculated by the multiplication suggested.

Mr. MANN. That is a new thing in the bill, is it not?

Mr. OVERSTREET. It is not new in the bill. It has been carried in the bill.

Mr. MANN. I do not mean this provision, but I mean the idea of not making the appropriation sufficient; but I am not complaining about that.

Mr. OVERSTREET. The current law carries the same identical provision, and it is carried under each of the various groups of employment in the service.

Wherever the total number of employees authorized, multiplied by the maximum salary, would make a greater sum than this sum, this limitation is provided.

Mr. MANN. It is not intended, then, in any way at all to affect the promotion?

Mr. OVERSTREET. No; not at all.

Mr. MANN. Apparently it does. Apparently it prohibits a deficiency.

Mr. OVERSTREET. I stated a while ago, Mr. Chairman, and I think it will bear repetition, that this total sum of \$28,661,500 for employment of clerks in first and second class offices is determinable upon the following basis:

First, we take into account all of the employees in the service on the 30th day of June, 1908, and calculate for all of those at the maximum salary which they will at that date be receiving. Then we calculate next the amount necessary to take care of the arbitrary promotions of the various grades of employees. Then we add the amount at the lower, or \$600, grade which in the judgment of the Department and of the committee, upon careful calculation, will be necessary for the new clerks who may be appointed during the year. Now, we provide in this bill for 2,420 additional clerks to be newly appointed in these offices during the next fiscal year. All of them will not be appointed on the 1st of July, but we calculate that a certain number will be appointed on the 1st of October and each succeeding quarter. I think the annual rate for the new clerks is based upon about \$425 per year. And the limitation is held by experts in making estimates to Congress, and particularly is that true of the clerk of the Appropriation Committee, that without this limitation the calculation at the Treasury would be made upon the total amount for the total period.

Mr. MANN. Mr. Chairman, I will withdraw the point of order.

Mr. OVERSTREET. Mr. Chairman, I understand the Clerk had read as far as line 21 on page 11.

The CHAIRMAN. To the end of line 20.

Mr. OVERSTREET. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. OLMSTED, Chairman of the Committee of the Whole House on the state of the Union, reported that the committee had had under consideration the bill H. R. 18347—the post-office appropriation bill—and had come to no resolution thereon.

#### UNITED STATES BATTLE SHIP "MAINE."

Mr. FOSS. Mr. Speaker, I desire to submit a privileged report.

The SPEAKER. The gentleman from Illinois submits a privileged report, which the Clerk will read.

The Clerk read as follows:

*Resolved*, That the Secretary of the Navy be, and he hereby is, requested, if not incompatible with the public interests, to send to the House of Representatives, as early as may be practicable, all letters and data as to the present international status and rights, if any there be, under which the Congress may exercise immediate or future action for the removal of the wreck of the United States battle ship Maine and provide proper burial for its dead, now lying with the hulk in the harbor of Habana, Cuba.

Also the following committee amendments were read:

In lines 4 and 5 strike out the words "present international" and the words "and rights, if any there be," and insert in line 4, after the word "the," the words "cost and legal."

In line 8 strike out the words "proper" and "its," and insert after the word "for" the word "the."

The SPEAKER. The question is on agreeing to the amendments.

The question was taken, and the amendments were agreed to. The resolution as amended was agreed to.

#### MINORITY VIEWS ON FINANCIAL BILL.

Mr. BURTON of Ohio. Mr. Speaker, I ask unanimous consent to file the minority views upon the bill H. R. 12677 not later than Saturday the 21st.

The SPEAKER. Is there objection?  
There was no objection.

#### LAND ENTRIES WITHIN FOREST RESERVES.

Mr. SMITH of California. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 11778) entitled "A bill to amend an act approved June 11, 1906, entitled 'An act to provide for the entry of agricultural lands within forest reserves.'"

The SPEAKER. The bill was read on a former day. Is there objection?

Mr. GAINES of Tennessee. Mr. Speaker, reserving the right to object, I would like to ask the gentleman if this bill was not before the House a few days ago and if the gentleman from Mississippi [Mr. WILLIAMS] did not object to its consideration?

Mr. SMITH of California. Yes, sir. He is agreeable that the matter be taken up at this time and passed. He told me yesterday that I might call the matter up again if I desired, and he would not interpose an objection.

Mr. GAINES of Tennessee. He has stated that he has withdrawn, in effect, his objection?

Mr. SMITH of California. What is that?

Mr. GAINES of Tennessee. Does the gentleman mean to say that the gentleman from Mississippi withdraws his objection?

Mr. SMITH of California. Yes, sir.

Mr. GAINES of Tennessee. Will the gentleman now explain to the House what the bill is?

Mr. SMITH of California. The last Congress passed a bill allowing the Forestry Department to indicate certain small tracts of land here and there in forest reserves which might then be homestead. A portion of California was excluded from that bill, and this now aims to put a portion of the State under the operation of that law, giving it the same status with all other forest reserves of the United States.

The SPEAKER. Is there objection?

Mr. BENNET of New York. Reserving the right to object, I would like to ask the gentleman what the attitude of the Forestry Bureau is?

Mr. SMITH of California. They requested me to introduce the bill and are very anxious that it be passed.

Mr. UNDERWOOD. I would like to ask the gentleman whether the homestead entry is the same size as the ordinary entry, or whether it enlarges it?

Mr. SMITH of California. It does not enlarge it.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. SMITH of California. I will ask that the letter be printed, if gentlemen do not desire to have it read now.

The SPEAKER. Without objection, the letter will be printed.

The letter is as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,  
FOREST SERVICE,  
Washington, March 4, 1908.

HON. S. C. SMITH,  
House of Representatives.

DEAR SIR: Your letter of March 3 to the Forester is received in his absence. The bill (H. R. 11778) concerning the entry of agricultural lands within national forests will, if enacted, extend the benefits of the act of June 11, 1906, to southern California. The Forester believes that this should be done. Under that act no land is taken up until it is found by examination on the ground to be more valuable for agriculture than for forest purposes, and there is no danger that any land which should be kept forested will pass into private ownership.

It was inevitable that there should be in the great bodies of land reserved for national forests small and isolated tracts along creek bottoms and the like more suited for farming than for forest purposes. The act of June 11, 1906, enables such tracts to be put to their most beneficial use and is in entire harmony with the national forest policy, which is, in brief, that all the resources of the national forests should be developed to their fullest capacity.

Very truly, yours,

JAMES B. ADAMS,  
Associate Forester.

The bill was ordered to be engrossed for a third reading; and being engrossed, it was accordingly read the third time and passed.

On motion of Mr. SMITH of California, a motion to reconsider the vote by which the bill was passed was laid on the table.

#### LEAVE TO EXTEND REMARKS.

Mr. HAMILTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

#### ARIZONA AND CALIFORNIA RAILWAY COMPANY.

Mr. SHERMAN. Mr. Speaker, I ask unanimous consent to discharge the Committee on Indian Affairs from the consideration of the bill S. 2948, and that the same may be considered in the House at this time.

The Clerk read as follows:

An act (S. 2948) to provide additional station grounds and terminal facilities for the Arizona and California Railway Company in the Colorado River Indian Reservation, Ariz.

*Be it enacted, etc.*, That, subject to the approval of the Secretary of the Interior, additional lands not exceeding 40 acres in area adjacent to its approved right of way in the Colorado River Indian Reservation, in the Territory of Arizona, be, and the same are hereby, granted for additional station grounds and terminal facilities to the Arizona and California Railway Company, a corporation organized under the laws of said Territory, subject to the payment by said company of full compensation therefor in the manner provided in section 3 of the act approved March 2, 1899, entitled "An act to provide for the acquiring of rights of way by railroad companies through Indian reservations, Indian lands, Indian allotments, and for other purposes." *Provided*, That such additional lands are granted subject to the right of the United States to cross the same and the works constructed thereon with canals or water conduits of any kind, or with roadways, or transmission lines for telephone, telegraph, or electric power, which may in the future be built by the United States across such lands; and the said company shall build and maintain at its own expense all structures that may be required at crossings, and in accepting this grant shall release the United States from all damages which may result from the construction and use of such crossings, canals, conduits, and lines.

Mr. MADDEN. I desire to reserve the right to object.

Mr. SHERMAN. Mr. Speaker, the Senate bill is identical with a House bill which has been favorably reported, unani-



mously, by the Committee on Indian Affairs. The purpose of this bill is to grant a right to the railroad company to take additional station grounds. The general law permitting the granting of station grounds provides for an addition to the right of way of 200 feet by 1,000 feet long, and such a right only every 10 miles. Now, here it is desired, where a terminal to the road is being constructed, to acquire title to a piece of ground large enough to construct a Y and build engine houses and build certain employees' residences, put in water tanks, and the like of that. The bill provides that the compensation therefor shall be fixed by the Secretary of the Interior, and the proviso to the bill now presented also provides that the right of way shall be reserved to the United States for all irrigation work and everything of that kind. It seems to me that the bill as presented safeguards all possible rights of the United States and of the Indians.

Mr. GAINES of Tennessee. Will the gentleman state to the House through whose land the right of way is to go?

Mr. SHERMAN. It is to go into the Colorado Indian Reservation; and there is a general act which gives to anybody the right to acquire a right of way under certain conditions.

Mr. GAINES of Tennessee. What are they going to be paid?

Mr. SHERMAN. Whatever the Secretary of the Interior says; and under the general act the price which he fixes is final.

Mr. CLARK of Missouri. How wide is the strip going to be?

Mr. SHERMAN. Forty acres in size.

Mr. CLARK of Missouri. And that is to be given every 10 miles?

Mr. SHERMAN. Oh, no; it is only at one place, at a place of junction between two division points; at a point where they can obtain water, put in a roundhouse, and all that sort of thing.

Mr. CLARK of Missouri. Forty acres is enough to build a pretty good town on.

Mr. SHERMAN. That is what I understand they want to do; to build up a working town for the people who work on that railroad.

Mr. CLARK of Missouri. What is the width of the right of way?

Mr. SHERMAN. The right of way is 100 feet wide, the station grounds 200 feet wide by 1,000 feet in length.

Mr. CLARK of Missouri. And it can not be had for anything less than what the Secretary of the Interior says?

Mr. SHERMAN. It can not be sold for less than he fixes the price.

The SPEAKER. The Chair hears no objection.

The bill was ordered to a third reading; and it was accordingly read the third time and passed.

On motion of Mr. SHERMAN, a motion to reconsider the vote by which the bill was passed was laid on the table.

#### ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 5155. An act authorizing the exchange of lands for the enlargement of maneuvering grounds.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. WILSON of Illinois, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bills:

H. R. 598. An act granting pensions and increase of pensions to certain soldiers and sailors of the civil war and to certain widows and dependent relatives of such soldiers and sailors; and

H. R. 13102. An act to authorize the county of Elmore, Ala., to construct a bridge across Coosa River, Alabama.

#### ADJOURNMENT.

Mr. OVERSTREET. I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 14 minutes p. m.) the House adjourned.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, the following executive communications were taken from the Speaker's table and referred as follows:

A letter from the Secretary of the Treasury, recommending the erection of a hall of records—to the Committee on Public Buildings and Grounds and ordered to be printed.

A letter from the assistant clerk of the Court of Claims, transmitting a copy of the findings filed by the court in the case of George A. Smith against The United States—to the Committee on War Claims and ordered to be printed.

A letter from the Secretary of War, transmitting, with a letter from the Acting Chief of Engineers, report of survey of the Cumberland River, Kentucky and Tennessee, below Nashville—to the Committee on Rivers and Harbors and ordered to be printed.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several Calendars therein named, as follows:

Mr. HUMPHREY of Washington, from the Committee on the Merchant Marine and Fisheries, to which was referred the bill of the House (H. R. 9119) to amend section 2792 of the Revised Statutes, reported the same without amendment, accompanied by a report (No. 1200), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. COOPER of Wisconsin, from the Committee on Insular Affairs, to which was referred the bill of the House (H. R. 393) providing that the inhabitants of Porto Rico shall be citizens of the United States, reported the same with amendment, accompanied by a report (No. 1204), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. HULL of Iowa, from the Committee on Military Affairs, to which was referred the bill of the House (H. R. 4781) to authorize the Chief of Ordnance, United States Army, to receive twelve 3.2-inch breech-loading field guns, carriages, caissons, limbers, and their pertaining equipment from the State of Massachusetts, reported the same without amendment, accompanied by a report (No. 1205), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the bill of the House (H. R. 11792) to authorize commissions to issue in the cases of officers of the Army retired with increased rank, reported the same without amendment, accompanied by a report (No. 1206), which said bill and report were referred to the House Calendar.

Mr. HAY, from the Committee on Military Affairs, to which was referred the bill of the House (H. R. 18795) authorizing the Secretary of War to have constructed a direct road leading from the southern end of the new Highway Bridge across the Potomac River to the national cemetery at Arlington and Fort Myer, reported the same with amendment, accompanied by a report (No. 1207), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. PARKER of New Jersey, from the Committee on Military Affairs, to which was referred the bill of the House (H. R. 14395) granting condemned cannon for war monument at Trenton, N. J., reported the same with amendments, accompanied by a report (No. 1209), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. WALDO, from the Committee on Claims, to which was referred the bill of the House (H. R. 8733) for the relief of Walter W. Keefe, reported the same without amendment, accompanied by a report (No. 1196), which said bill and report were referred to the Private Calendar.

Mr. GRAHAM, from the Committee on Claims, to which was referred the bill of the House (H. R. 2952) for the relief of Chaplain Henry Swift, Thirteenth Infantry, United States Army, reported the same with amendment, accompanied by a report (No. 1197), which said bill and report were referred to the Private Calendar.

Mr. CANDLER, from the Committee on Claims, to which was referred the bill of the House (H. R. 3760) for the relief of the creditors of the Deposit Savings Association of Mobile, Ala., reported the same without amendment, accompanied by a report (No. 1198), which said bill and report were referred to the Private Calendar.

Mr. PATTERSON, from the Committee on Claims, to which was referred the bill of the House (H. R. 15681) for the relief of the Compania de los Ferrocarriles de Puerto Rico, reported the same with amendment, accompanied by a report (No. 1199), which said bill and report were referred to the Private Calendar.

Mr. HAUGEN, from the Committee on War Claims, to which was referred the bill of the House (H. R. 1416) for the relief of John T. Brown, reported the same with amendment, accompanied by a report (No. 1201), which said bill and report were referred to the Private Calendar.

Mr. HASKINS, from the Committee on War Claims, to which was referred the bill of the House (H. R. 3351) for the relief of the legal representatives of Samuel Schiffer, reported the same without amendment, accompanied by a report (No. 1202), which said bill and report were referred to the Private Calendar.

Mr. SIMS, from the Committee on War Claims, to which was referred the bill of the Senate (S. 4024) for the relief of John H. Hamiter, reported the same without amendment, accompanied by a report (No. 1203), which said bill and report were referred to the Private Calendar.

#### ADVERSE REPORT.

Under clause 2, Rule XIII,

Mr. PARKER of New Jersey, from the Committee on Military Affairs, to which was referred the bill of the House (H. R. 13996) to appoint Thomas Little a second lieutenant in the Army and to place him on the retired list, reported the same adversely, accompanied by a report (No. 1208), which said bill and report were laid on the table.

#### CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of bills of the following titles, which were thereupon referred as follows:

A bill (H. R. 3301) granting a pension to James F. Flynn—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 18504) granting an increase of pension to James B. Waters—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 13944) granting a pension to Christopher Kneup—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 12130) granting an increase of pension to James L. Decker—Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. MONDELL: A bill (H. R. 18970) providing for an enlarged homestead—to the Committee on the Public Lands.

By Mr. LOVERING: A bill (H. R. 18971) authorizing a preliminary examination and survey of the Taunton River—to the Committee on Rivers and Harbors.

By Mr. FULTON (by request): A bill (H. R. 18972) establishing a national banking system—to the Committee on Banking and Currency.

By Mr. BANNON: A bill (H. R. 18973) relating to the liability of common carriers engaged in commerce to which the regulative power of Congress extends under the Constitution of the United States—to the Committee on the Judiciary.

By Mr. BATES: A bill (H. R. 18974) providing for the recognition of the military service of the officers and enlisted men of McLane's Erie Regiment, Pennsylvania Volunteer Infantry, who served in the civil war—to the Committee on Military Affairs.

By Mr. CAULFIELD: A bill (H. R. 18975) to provide an additional circuit judge for the eighth circuit—to the Committee on the Judiciary.

By Mr. GRAFF: A bill (H. R. 18976) to provide for additional alteration, improvement, and repair of the United States public building at Peoria, Ill.—to the Committee on Public Building and Grounds.

By Mr. SULZER: A bill (H. R. 18977) to regulate commerce with foreign nations, so as to equalize the footing of American vessels with foreign, to make preference for the use of American ships in our own trade, to extend the postal service by American steamships, and to promote commercial independence—to the Committee on the Merchant Marine and Fisheries.

By Mr. PUJO: A bill (H. R. 18978) for the improvement of navigation in Bayou Plaquemine Brule—to the Committee on Rivers and Harbors.

By Mr. PETERS: A bill (H. R. 18979) prescribing penalties for interference with official wireless messages—to the Committee on Naval Affairs.

By Mr. COX of Indiana: A bill (H. R. 18980) to provide for inquisitions into the sanity of honorably discharged soldiers and sailors admitted in the Government Hospital for the Insane, and for other purposes—to the Committee on the District of Columbia.

By Mr. GOULDEN: A bill (H. R. 18981) in relation to pneumatic-tube postal service—to the Committee on the Post-Office and Post-Roads.

By Mr. GILLETT: A bill (H. R. 18982) for the retirement of employees in the classified civil service of the Government—to the Committee on Reform in the Civil Service.

By Mr. LAW: A bill (H. R. 18983) for the relief of clerks of courts exercising jurisdiction under section 3 of the naturalization act—to the Committee on Immigration and Naturalization.

By Mr. DALZELL: A bill (H. R. 18984) to amend the national banking laws, and for other purposes—to the Committee on Banking and Currency.

By Mr. GREENE: A bill (H. R. 18985) to provide for safety of life on navigable waters during regattas or marine parades—to the Committee on Interstate and Foreign Commerce.

By Mr. CLARK of Florida: A bill (H. R. 18986) to permit homestead settlers on public lands in the State of Florida to sell and otherwise dispose of certain timber thereon—to the Committee on the Public Lands.

By Mr. LAW: A bill (H. R. 18987) to authorize commission to issue in the cases of officers of the Navy and Marine Corps, with increased rank—to the Committee on Naval Affairs.

By Mr. PARKER of South Dakota: A bill (H. R. 18988) to provide additional judges for the district of Alaska, and for other purposes—to the Committee on the Judiciary.

By Mr. FRENCH: Joint resolution (H. J. Res. 150) providing for additional lands for Idaho under the provisions of the Carey Act—to the Committee on the Public Lands.

By Mr. PRINCE: Resolution (H. Res. 293) providing for the printing of 10,000 copies of House Report No. 1126, being the report on H. R. 12677—to the Committee on Printing.

Also, memorial of the legislature of Illinois, favoring the passage of the "volunteer retired list" bill—to the Committee on Military Affairs.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. ACHESON: A bill (H. R. 18989) to correct the military record of D. K. Haught—to the Committee on Military Affairs.

By Mr. ADAIR: A bill (H. R. 18990) granting a pension to Frank W. Fisher—to the Committee on Invalid Pensions.

By Mr. ALLEN: A bill (H. R. 18991) to provide relief for those whose property was damaged by the firing at target practice and heavy guns at Fort Levett, Portland Harbor, Maine—to the Committee on Claims.

By Mr. BROWNLOW: A bill (H. R. 18992) granting an increase of pension to Roman M. Hawkins—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18993) granting an increase of pension to C. C. Tipton—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18994) granting an increase of pension to James White—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18995) granting an increase of pension to E. W. Keys—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18996) granting a pension to Georgia B. Snapp—to the Committee on Pensions.

Also, a bill (H. R. 18997) granting a pension to John A. Brown—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18998) to correct the military record of Elijah Hicks—to the Committee on Military Affairs.

By Mr. BRUMM: A bill (H. R. 18999) granting an increase of pension to Franklin Simons—to the Committee on Invalid Pensions.

By Mr. BURTON of Delaware: A bill (H. R. 19000) granting a pension to Sumner W. Ransom—to the Committee on Invalid Pensions.

By Mr. CAMPBELL: A bill (H. R. 19001) granting an increase of pension to John C. Smith—to the Committee on Pensions.

Also, a bill (H. R. 19002) granting an increase of pension to John A. Mason—to the Committee on Invalid Pensions.



Also, a bill (H. R. 19003) granting an increase of pension to Chauncey Atkinson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19004) granting an increase of pension to Albert Teets—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19005) granting an increase of pension to Hynes Woodring—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19006) granting an increase of pension to David Byers—to the Committee on Invalid Pensions.

By Mr. CARLIN: A bill (H. R. 19007) to carry into effect the findings of the Court of Claims in the case of Alice E. Davis, heir at law of John C. Davis, deceased—to the Committee on War Claims.

By Mr. CHANEY: A bill (H. R. 19008) granting an increase of pension to Joseph Yancy—to the Committee on Invalid Pensions.

By Mr. COOPER of Wisconsin: A bill (H. R. 19009) granting an increase of pension to George E. Lewis—to the Committee on Invalid Pensions.

By Mr. DALZELL: A bill (H. R. 19010) granting an increase of pension to Anna E. Webb—to the Committee on Invalid Pensions.

By Mr. DENVER: A bill (H. R. 19011) granting an increase of pension to Thompson W. Dye—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19012) granting an increase of pension to James Wardlow—to the Committee on Invalid Pensions.

By Mr. EDWARDS of Georgia: A bill (H. R. 19013) for the relief of the white Baptist Church at Sunbury, in Liberty County, Ga.—to the Committee on War Claims.

By Mr. FASSETT: A bill (H. R. 19014) granting a pension to Ella L. Grenell—to the Committee on Invalid Pensions.

By Mr. FOSTER of Illinois: A bill (H. R. 19015) to remove the charge of desertion from the record of John D. Woods—to the Committee on Military Affairs.

By Mr. FULTON: A bill (H. R. 19016) granting an increase of pension to James T. Smith—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19017) granting an increase of pension to George F. Watson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19018) granting an increase of pension to Josiah F. Kirk—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19019) granting an increase of pension to Peter G. Wynegar—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19020) for the relief of Miss Sarah Whittlesey—to the Committee on Claims.

By Mr. HAMILTON of Iowa: A bill (H. R. 19021) granting an increase of pension to Sylvester Hendrix—to the Committee on Invalid Pensions.

By Mr. HAMLIN: A bill (H. R. 19022) granting a pension to Samuel Adams—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19023) granting a pension to Robert S. Hoge—to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 19024) granting a pension to Paul Rutt—to the Committee on Pensions.

Also, a bill (H. R. 19025) for the relief of Jesse L. Adams—to the Committee on Claims.

By Mr. HOWELL of Utah: A bill (H. R. 19026) granting a pension to Harvey A. Pace—to the Committee on Pensions.

By Mr. HOWLAND: A bill (H. R. 19027) granting an increase of pension to Joseph A. Fretter—to the Committee on Invalid Pensions.

By Mr. LAMAR of Missouri: A bill (H. R. 19028) granting an increase of pension to F. A. Minor—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19029) granting an increase of pension to John Adams—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19030) granting an increase of pension to Austin V. Davenport—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19031) granting an increase of pension to George W. Farling—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19032) granting an increase of pension to Shelby Bertram—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19033) granting an increase of pension to James M. Farmer—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19034) granting an increase of pension to James A. Bradshaw—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19035) granting an increase of pension to C. Hart—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19036) granting an increase of pension to William O. Harrison—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19037) granting an increase of pension to James A. Whitworth—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19038) granting a pension to Benjamin M. Bradshaw—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19039) making an appropriation for Mrs. Lizzie Kenamore—to the Committee on War Claims.

By Mr. LAMB: A bill (H. R. 19040) granting an increase of pension to Lasalle Carbell Pickett—to the Committee on Pensions.

By Mr. LANGLEY: A bill (H. R. 19041) granting a pension to Elijah Patrick—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19042) granting a pension to William B. Senieur—to the Committee on Pensions.

Also, a bill (H. R. 19043) granting an increase of pension to Henry C. Soward—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19044) granting an increase of pension to Henry Jackson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19045) granting an increase of pension to Lewis W. Gose—to the Committee on Invalid Pensions.

Also (by request), a bill (H. R. 19046) granting a pension to Richard Wilkinson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19047) to correct the military record of Jonathan Chany—to the Committee on Military Affairs.

Also, a bill (H. R. 19048) for the relief of E. W. McCormick—to the Committee on War Claims.

Also, a bill (H. R. 19049) for the relief of the legal representatives of J. M. Fidler and Thomas O. Marrs—to the Committee on War Claims.

By Mr. LAW: A bill (H. R. 19050) for the relief of Ferdinand W. Rave—to the Committee on Claims.

Also, a bill (H. R. 19051) for the relief of Benjamin F. Busick—to the Committee on Claims.

Also, a bill (H. R. 19052) to grant an honorable discharge to Andrew Keyser, alias George King—to the Committee on Naval Affairs.

By Mr. LEE: A bill (H. R. 19053) for the relief of Martin Ball, heir of Stephen Ball, deceased—to the Committee on War Claims.

By Mr. LEVER: A bill (H. R. 19054) granting an increase of pension to George Young—to the Committee on Invalid Pensions.

By Mr. LOWDEN: A bill (H. R. 19055) granting an increase of pension to Chillian Spanogle—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19056) granting an increase of pension to George D. Quick—to the Committee on Invalid Pensions.

By Mr. McLAUGHLIN of Michigan: A bill (H. R. 19057) granting a pension to Charles W. Barber—to the Committee on Pensions.

Also, a bill (H. R. 19058) granting a pension to Albert E. Bolt—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19059) granting a pension to Herman Cramer—to the Committee on Pensions.

Also, a bill (H. R. 19060) granting a pension to George R. Nellis—to the Committee on Invalid Pensions.

By Mr. MADISON: A bill (H. R. 19061) granting an increase of pension to W. C. Osgood—to the Committee on Invalid Pensions.

By Mr. MOUSER: A bill (H. R. 19062) granting an increase of pension to Erasmus D. Turner—to the Committee on Invalid Pensions.

By Mr. PEARRE: A bill (H. R. 19063) for the relief of the estate of William Bladen—to the Committee on War Claims.

Also, a bill (H. R. 19064) granting an increase of pension to John H. Ullrich—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19065) for the relief of Barney McKay—to the Committee on Claims.

By Mr. SMITH of Missouri: A bill (H. R. 19066) granting an increase of pension to Edward F. Reeves—to the Committee on Invalid Pensions.

By Mr. SPARKMAN: A bill (H. R. 19067) granting an increase of pension to Fenton Webb—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19068) granting an increase of pension to William R. Partridge—to the Committee on Invalid Pensions.

By Mr. STEVENS of Minnesota: A bill (H. R. 19069) for the relief of R. B. Whitacre & Co.—to the Committee on Claims.

Also, a bill (H. R. 19070) to correct the military record of Lieut. Col. James P. Walker—to the Committee on Military Affairs.

By Mr. STURGISS: A bill (H. R. 19071) to correct the military record of and grant to James Irwin, alias James Williamson, an honorable discharge—to the Committee on Military Affairs.

By Mr. THISTLEWOOD: A bill (H. R. 19072) granting an increase of pension to James R. Candle—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19073) granting an increase of pension to Joshua G. Collins—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19074) granting an increase of pension to Elijah Foster—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19075) granting a pension to William H. Tate—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19076) granting a pension to R. J. Jamison—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19077) granting a pension to Alice F. Crawford—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19078) to remove the charge of desertion from the record of Rudolph Pensteel, also borne as Penstrell and as Bernstiel—to the Committee on Military Affairs.

By Mr. WEBB: A bill (H. R. 19079) granting an increase of pension to Albert S. Tweed—to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, the following petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER: Petition of James D. Newton and 21 others, of Ridgefarm, Ill., for H. R. 4776—to the Committee on the Judiciary.

Also, petition of George S. Stapham and 8 others, of Hartshorne, Okla., for the bill for reappraisalment of town site of Hartshorne, Okla.—to the Committee on the Public Lands.

Also, petition of Greater Charlotte Club, of Charlotte, N. C., for forest reservations in White Mountains—to the Committee on Agriculture.

Also, petition of Manufacturers' Association of York, Pa., for H. R. 12677 (Fowler bill)—to the Committee on Banking and Currency.

Also, memorial of Cleveland Association of Credit Men, for H. R. 13266—to the Committee on the Judiciary.

Also, memorial of city government of Brunswick, Ga., against H. R. 4771—to the Committee on the Merchant Marine and Fisheries.

Also, petition of Northwestern Lodge, No. 424, of the Brotherhood of Railway Trainmen, for H. R. 17137—to the Committee on the Judiciary.

Also, petition of Northwestern Lodge, No. 424, Brotherhood of Railway Trainmen, for S. 4260—to the Committee on Interstate and Foreign Commerce.

Also, petition of Philadelphia Credit Men's Association, for H. R. 13266—to the Committee on the Judiciary.

Also, petition of Local Union No. 141, United Garment Workers of America, of New York, for building war ships at Government yards—to the Committee on Naval Affairs.

Also, memorial of C. A. Elmer, acting adjutant-general of Idaho, for passage of H. R. 14783—to the Committee on Militia.

By Mr. ACHESON: Paper to accompany bill for relief of D. R. Haught—to the Committee on Military Affairs.

By Mr. ADAIR: Papers in support of H. R. 7719, for relief of Earle W. Soper—to the Committee on Invalid Pensions.

Also, petition of German Temperance Society, of Berne, Ind., for Littlefield original-package bill—to the Committee on the Judiciary.

By Mr. ALEXANDER of New York: Petition of board of managers of Sons of American Revolution, of New York, for printing and preserving certain documents of the American Revolution—to the Committee on Printing.

Also, petitions of John Shillady and others and People's Forum, of Buffalo, N. Y., against Penrose bill, to amend section 3893 of Revised Statutes—to the Committee on the Post-Office and Post-Roads.

By Mr. ASHBROOK: Petition of Association of American Directory Publishers, for the Kittredge copyright bill—to the Committee on Patents.

Also, paper to accompany bill for relief of Jesse T. Reese—to the Committee on Pensions.

By Mr. BATES: Petition of Vessel Owners and Captains' Association of Philadelphia, Pa., for H. R. 15945—to the Committee on Interstate and Foreign Commerce.

Also, petition of citizens of Erie County, Pa., for more effective oleomargarine laws—to the Committee on Agriculture.

Also, petition of Erie City Iron Works, of Erie, Pa., for Gallinger amendment to shipping bill—to the Committee on the Merchant Marine and Fisheries.

Also, petition of E. D. Mullen, for forest reservations in White Mountains and Appalachian Mountains—to the Committee on Agriculture.

Also, petition of citizens of Erie County, Pa., for S. 3152, providing additional protection to dairy interests—to the Committee on Agriculture.

Also, petition of citizens of Erie County for additional protection to dairy interests—to the Committee on Agriculture.

By Mr. BENNET of New York: Paper to accompany bill for relief of John W. Judson—to the Committee on Claims.

By Mr. CALDER: Petition of Music Engravers' Union of America, for changes in both Kittredge and Currier copyright bills—to the Committee on Patents.

Also, petition of Lawton Camp, No. 21, United Spanish War Veterans, of New York, for battle-ship building in navy-yards—to the Committee on Naval Affairs.

Also, petition of Joseph Hart, of New York, for the Kittredge copyright bill—to the Committee on Patents.

Also, petition of Travelers and Merchants' Association of Baltimore, against the Aldrich currency bill—to the Committee on Banking and Currency.

By Mr. CAULFIELD: Petition of St. Louis (Mo.) Business Men's League, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of Missouri Manufacturers' Association, for St. Louis as location for Government fuel-testing station—to the Committee on Agriculture.

By Mr. CHANEY: Paper to accompany bill for relief of Joseph Yancy—to the Committee on Invalid Pensions.

By Mr. CLARK of Florida: Petition of Local Union, United Association of Journeymen Plumbers, Gas Fitters, etc., of Pensacola, Fla., for battle-ship building in navy-yards—to the Committee on Naval Affairs.

Also, petition of Wade H. Jones and other citizens of Brevard County, Fla., against S. 1518 (Penrose bill)—to the Committee on the Post-Office and Post-Roads.

By Mr. COOPER of Wisconsin: Petition of Wisconsin Consumers' League, for the Beveridge-Parsons child-labor bill—to the Committee on Labor.

By Mr. COUDREY: Petition of Business Men's League of St. Louis, Mo., against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. DALZIEL: Petition of Chamber of Commerce of McKeesport, Pa., against employment of census employees by non-competitive examination—to the Committee on the Census.

Also, petition of Travelers and Merchants' Association of Baltimore, for the Fowler currency bill—to the Committee on Banking and Currency.

Also, petition of A. H. Durboraw, in favor of legislation against sale of intoxicants—to the Committee on Alcoholic Liquor Traffic.

Also, paper to accompany bill for relief of Anna E. Webb—to the Committee on Invalid Pensions.

By Mr. DAVIS of Minnesota: Petition of sundry citizens of Minnesota, for appropriation to improve the Minnesota River—to the Committee on Rivers and Harbors.

Also, petition of Alabama State Horticultural Society, concerning H. R. 534—to the Committee on Agriculture.

By Mr. DRAPER: Petition of Travelers and Merchants' Association of Baltimore, against Aldrich currency bill—to the Committee on Banking and Currency.

Also, petition of Association of American Directory Publishers, for the Kittredge copyright bill—to the Committee on Patents.

By Mr. DUNWELL: Petition of American Pharmaceutical Association, for H. R. 16091—to the Committee on Expenditures in the Treasury Department.

Also, petition of Andrew Carnegie and other citizens of New York City, against extravagance in naval construction—to the Committee on Naval Affairs.

Also, petition of Bush Terminal Company, of New York, for the Fowler currency bill—to the Committee on Banking and Currency.

Also, petition of the Travelers and Merchants' Association of Baltimore, against the Aldrich currency bill—to the Committee on Banking and Currency.

Also, petition of Music Engravers' Union, for amendment of both the Currier and Kittredge copyright bills—to the Committee on Patents.

Also, petition of Fandrau & Co., for a certain bill in charge of the Committee on Agriculture—to the Committee on Agriculture.

By Mr. ESCH: Petition of United Mine Workers of America, for a sixteenth amendment to the Constitution—to the Committee on the Judiciary.

Also, petition of Travelers and Merchants' Association, of Baltimore, against Aldrich currency bill—to the Committee on Banking and Currency.

By Mr. FITZGERALD: Petition of United Mine Workers of America, for a sixteenth amendment to the Constitution, for woman's suffrage—to the Committee on the Judiciary.



Also, petition of Massachusetts State Federation of Women's Clubs, for forest reservations in White Mountains and Southern Appalachian Mountains—to the Committee on Agriculture.

Also, petition of Washington Chapter of American Institute of Architects, against change of site of the Grant Memorial—to the Committee on the Library.

Also, petition of Travelers and Merchants' Association of Baltimore, against the Aldrich currency bill—to the Committee on Banking and Currency.

By Mr. FLOYD: Papers to accompany bills for relief of Lewis A. Edwards and John Anderson—to the Committee on Invalid Pensions.

By Mr. FORNES: Petition of Association of American Directory Publishers of New York City, for amendments to copyright law—to the Committee on Patents.

Also, petition of Massachusetts State Federation of Women's Clubs, for H. R. 10456 and 10457, for forest reservations in White Mountains and Appalachian Mountains—to the Committee on Agriculture.

Also, petition of New York Chapter of American Institute of Architects, against change of site of Grant Memorial—to the Committee on the Library.

By Mr. FULLER: Petition of F. R. Thornton, of Streator, Ill., for postal savings banks and parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of Andrew Carnegie and other citizens of New York City, against extravagance of battle-ship construction in Navy—to the Committee on Naval Affairs.

Also, petition of Authors and Composers' Copyright League of America, for legislation to protect musical composers—to the Committee on Patents.

By Mr. GOULDEN: Petition of Association of American Directory publishers, for the Kittredge copyright bill—to the Committee on Patents.

Also, petition of Joseph Hart, of New York City, for the Kittredge copyright bill—to the Committee on Patents.

By Mr. GRANGER: Petition of What Cheer Harbor, No. 13, American Association of Masters and Pilots of Steam Vessels, of Providence, R. I., against H. R. 4771 (Littlefield pilotage bill)—to the Committee on the Merchant Marine and Fisheries.

By Mr. HAYES: Petition of Brotherhood of Locomotive Firemen and Engineers of Southern Pacific Railway, for the La Follette-Sterling employers' liability bill—to the Committee on the Judiciary.

Also, petition of C. M. Joyal, against any constitutional amendment or treaty provision which might be used against naturalization and immigration—to the Committee on Immigration and Naturalization.

Also, petition of San Mateo Board of Trade, for McKinlay bill for improvement of Sacramento and Feather rivers—to the Committee on Rivers and Harbors.

Also, petition of International Molders' Union, No. 199, against building of vessels in Government navy-yards—to the Committee on Naval Affairs.

By Mr. HAMILTON of Iowa: Petition of sundry citizens of Iowa, against the Penrose bill—to the Committee on the Post-Office and Post-Roads.

By Mr. HAMLIN: Petition of A. J. Hunter and others, in support of the Sherwood pension bill—to the Committee on Invalid Pensions.

By Mr. HAMMOND: Petition of Arthur M. Nelson and others, against the Penrose bill—to the Committee on the Post-Office and Post-Roads.

By Mr. HAWLEY: Paper to accompany bill for relief of Guy Otis Pierce—to the Committee on Pensions.

Also, paper to accompany bill for relief of George W. Peters—to the Committee on War Claims.

By Mr. HENRY of Connecticut: Petition of Polish Political Club, of New Britain, Conn., for the Bates bill—to the Committee on Foreign Affairs.

Also, petition of citizens of New Britain, for a national highway commission—to the Committee on Interstate and Foreign Commerce.

By Mr. HEPBURN: Petition of citizens of Clarke County, Iowa, against religious legislation in the District of Columbia—to the Committee on the District of Columbia.

Also, petition of Rev. John A. Schuler and other citizens of Sidney, Iowa, against the Penrose bill (S. 1518)—to the Committee on the Post-Office and Post-Roads.

By Mr. HOWELL of New Jersey: Petition of United Irish Societies of Middlesex County, N. J., against any treaty of arbitration between United States and Great Britain—to the Committee on Foreign Affairs.

Also, petition of Sprague Electric Company, of Bloomfield,

N. J., in favor of forest reservations in White Mountains and Southern Appalachian Mountains—to the Committee on Agriculture.

Also, petition of Brotherhood of Locomotive Engineers and Firemen of Phillipsburg, N. J., for the La Follette employers' liability bill—to the Committee on the Judiciary.

Also, petition of Olive Branch Grange, No. 142, of Matawan, N. J., for a national highways commission—to the Committee on Agriculture.

By Mr. HOWELL of Utah: Petition of Andrew Carnegie and other citizens of New York City, against increase of four battle ships—to the Committee on Naval Affairs.

Also, petition of Miners' Union No. 151, of Eureka, Utah, against S. 1578 (Penrose bill)—to the Committee on the Post-Office and Post-Roads.

Also, petition of F. J. Kurel, against the Littlefield pilotage bill—to the Committee on the Merchant Marine and Fisheries.

By Mr. KNAPP: Paper to accompany bill for relief of L. Decker—to the Committee on Invalid Pensions.

By Mr. KÜSTERMANN: Petition of citizens of Ninth District of Wisconsin, for parcels post and postal-savings bank—to the Committee on the Post-Office and Post-Roads.

By Mr. LAMB: Statement of services of George E. Pickett, late captain of the Ninth United States Infantry—to the Committee on Pensions.

By Mr. LAW: Petition of board of managers of Sons of American Revolution in State of New York, for appropriation to print and preserve certain records of the American Revolution—to the Committee on Printing.

By Mr. LINDBERGH: Petition of business men of Cokato, Minn., against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of S. H. Hamilton and J. E. Jones and other citizens of Bertha, Minn., and citizens of Little Falls, Minn., against S. 1518, exclusion of second-class mailing matter—to the Committee on the Post-Office and Post-Roads.

Also, petition of civil war veterans of Howard Lake, Minn., for the Sherwood pension bill—to the Committee on Invalid Pensions.

Also, petition of Commercial Club of Alexandria, Minn., against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. LLOYD: Petition of Business Men's League of St. Louis, Mo., against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. LITTLEFIELD: Petitions of sundry citizens of Maine, for a national highway commission—to the Committee on Agriculture.

By Mr. McLAUGHLIN of Michigan: Papers to accompany bills for relief of Charles W. Barber, George R. Nellis, Albert E. Bolt, and Herman Cramer—to the Committee on Invalid Pensions.

By Mr. MADISON: Petitions of citizens of Little River, and of Burdett, Pawnee County, Kans., for prohibition in the District of Columbia—to the Committee on the District of Columbia.

By Mr. MANN: Petition of Washington Chapter, American Institute of Architects, against change of site of the Grant Memorial—to the Committee on the Library.

Also, petition of Chicago Association of Commerce, against Aldrich currency bill—to the Committee on Banking and Currency.

Also, petition of citizens of Chicago, against H. R. 10474 (Macon bill) and 14641 (Candler bill)—to the Committee on Interstate and Foreign Commerce.

Also, petition of citizens of Chicago, against H. R. 462 (Griggs bill) and 6099 (Fulton bill)—to the Committee on Interstate and Foreign Commerce.

Also, petition of Chicago Association of Commerce, against various bills proposing legislation inimical to the commercial, financial, and agricultural interests of the country—to the Committee on Interstate and Foreign Commerce.

By Mr. MOUSER: Petition of Central Labor Union, for battle-ship building in navy-yards—to the Committee on Naval Affairs.

Also, petition of sundry citizens of Ohio, for a national highway commission—to the Committee on Agriculture.

By Mr. NORRIS: Petition of Nissen & McChesney, against any extension of a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. OVERSTREET: Petition of S. W. Burkhart and others, of Indianapolis, Ind., for H. R. 40—to the Committee on the District of Columbia.

Also, petition of S. W. Burkhart and others, of Indianapolis, Ind., for H. R. 4929—to the Committee on the District of Columbia.

By Mr. PATTERSON: Paper to accompany bill for relief of Vance V. Pearsall—to the Committee on Invalid Pensions.

By Mr. POLLARD: Petition of sundry citizens of Tecumseh, Nebr., for the Sherwood pension bill—to the Committee on Invalid Pensions.

Also, petition of sundry citizens of Cook, Nebr., against the Penrose bill (post-office law amendment)—to the Committee on the Post-Office and Post-Roads.

Also, petition of sundry citizens of Nebraska, against sale of intoxicants in the District of Columbia—to the Committee on the District of Columbia.

By Mr. PRATT: Petition of Brotherhood of Locomotive Engineers and Firemen of Phillipsburg, N. J., for the La Follette liability bill—to the Committee on the Judiciary.

Also, petition of New Jersey Chapter American Institute of Architects, against change of site of the Grant Memorial—to the Committee on the Library.

Also, petition of Electrical Workers' Union, No. 190, of Newark, N. J., against Penrose bill (S. 1518) to amend Revised Statutes (previously referred to the Committee on Invalid Pensions)—to the Committee on the Post-Office and Post-Roads.

By Mr. RYAN: Petition of Andrew Carnegie and other citizens of New York City, against too much battle-ship building—to the Committee on Naval Affairs.

Also, petition of East Buffalo Live Stock Exchange, for the Culberson-Smith car-service bill—to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Michigan: Petition of Baker Printing Company, of Newark, N. J., against the eight-hour bill—to the Committee on Labor.

Also, petition of Henry Robinson and 42 other veterans of Plymouth, Mich., and A. W. Thompson and 95 other veterans of Wayne, Mich., for the Sherwood pension bill—to the Committee on Invalid Pensions.

By Mr. SMITH of Missouri: Petition of citizens of Wayne County, Mo., for the Sherwood pension bill—to the Committee on Invalid Pensions.

By Mr. SPERRY: Petitions of citizens of Hamden and Cheshire, Conn., for national highway commission—to the Committee on Agriculture.

By Mr. STEVENS of Minnesota: Petition of Minnesota Dairymen's Association, for bill of Hon. C. R. Davis for Federal aid for agricultural schools—to the Committee on Agriculture.

By Mr. STEPHENS of Texas: Petition of W. J. Ropers and other citizens of Benjamin and Silverton, Tex., against the Penrose bill—to the Committee on the Post-Office and Post-Roads.

By Mr. STURGISS: Petition of C. C. Brown and others, of West Virginia State Grange, for a national highway commission—to the Committee on Agriculture.

Also, paper to accompany bill for relief of James Irwin, alias James Williamson—to the Committee on Invalid Pensions.

By Mr. SULZER: Petition of Polish organizations and press, against the Polish expropriation bill by the Prussian Diet—to the Committee on Foreign Affairs.

Also, petition of citizens of Polish birth, against the harsh measures of the Prussian Diet—to the Committee on Foreign Affairs.

Also, petition of Joseph Hart, of New York City, for the Kittredge copyright bill—to the Committee on Patents.

Also, petition of Music Engravers' Union of America, for amendments to both Currier and Kittredge copyright bills—to the Committee on Patents.

Also, petition of Travelers and Merchants' Association of Baltimore, against the Aldrich currency law—to the Committee on Banking and Currency.

By Mr. TIRRELL: Petitions of Central Congregational Church, of Dorchester, Mass., and Clarendon Street Baptist Church, of Boston, for the Littlefield original-package bill—to the Committee on the Judiciary.

By Mr. TOWNSEND: Petition of citizens of Milan, Mich., against Penrose amendment of postal laws—to the Committee on the Post-Office and Post-Roads.

By Mr. UNDERWOOD: Paper to accompany bill for relief of H. G. Martin—to the Committee on War Claims.

By Mr. WALLACE: Paper to accompany bill for relief of George W. Robinson (previously referred to the Committee on Pensions)—to the Committee on Pensions.

By Mr. WANGER: Petition of Maritime Exchange of Philadelphia, Pa., for H. R. 17044, providing for lading vessels at night and other purposes—to the Committee on Ways and Means.

Also, petition of Sam Sloan Division, No. 276, Brotherhood of Locomotive Engineers, for S. 4260—to the Committee on Interstate and Foreign Commerce.

Also, petition of Glasgow Iron Company, of Pottstown, Pa., against H. R. 16551—to the Committee on Labor.

Also, petition of Subdivision No. 325, of the International Brotherhood of Locomotive Engineers, of Pittsburg, for S. 4260—to the Committee on Interstate and Foreign Commerce.

Also, petitions of the Forestry Commission of Massachusetts and State Federation of Women's Clubs, for H. R. 10456 and 10457—to the Committee on Agriculture.

By Mr. WOOD: Petition of W. E. Halm, for H. R. 11562, for return of collateral inheritance tax to the Stevens Institute of Technology, of Hoboken, N. J.—to the Committee on Claims.

Also, petition of New Jersey State Board of Agriculture, for legislation that income from forest reservations apply to instruction and experimentation on forestry by agricultural colleges and experiment stations in the States and Territories—to the Committee on Agriculture.

Also, petition of New Jersey State Board of Agriculture, for liberal appropriation for highways—to the Committee on Agriculture.

## SENATE.

WEDNESDAY, *March 11, 1908.*

Prayer by the Chaplain, Rev. EDWARD E. HALE.

The Secretary proceeded to read the Journal of yesterday's proceedings when, on request of Mr. GALLINGER, and by unanimous consent, the further reading was dispensed with.

The VICE-PRESIDENT. The Journal stands approved.

### SEAL ISLANDS IN ALASKA.

The VICE-PRESIDENT laid before the Senate a communication from the Secretary of Commerce and Labor, transmitting, by direction of the President and in response to the resolution of the 2d instant, certain reports relating to the Alaskan seal fisheries, and requesting, as the reports transmitted are original ones, that if it is not the purpose of the Senate to publish them they be returned to the files of the Department of Commerce and Labor, which, with the accompanying papers, was referred to the Committee on Fisheries and ordered to be printed.

### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. W. J. BROWNING, its Chief Clerk, announced that the House had passed the bill (S. 2948) to provide additional station grounds and terminal facilities for the Arizona and California Railway Company in the Colorado River Indian Reservation, Ariz.

The message also announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 11778. An act to amend an act approved June 11, 1906, entitled "An act to provide for the entry of agricultural lands within forest reserves;" and

H. J. Res. 148. Joint resolution donating to the Commonwealth of Oklahoma the new flag now floating over the National Capital.

### ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice-President:

S. 5155. An act authorizing the exchange of lands for the enlargement of maneuvering grounds; and

H. R. 2429. An act granting pensions and increase of pensions to certain soldiers and sailors of the war with Spain and other wars, and to the widows of such soldiers and sailors.

### PETITIONS AND MEMORIALS.

Mr. PLATT presented a petition of United Division, No. 292, International Brotherhood of Locomotive Engineers, of Middletown, N. Y., praying for the passage of the so-called "Rodenberg anti-injunction bill," which was referred to the Committee on the Judiciary.

He also presented a petition of the Florists and Gardeners' Union of New York City, N. Y., praying for the enactment of legislation providing for the construction of at least one of the proposed new battle ships at the Government navy-yards, which was referred to the Committee on Naval Affairs.

He also presented a petition of Silas Wright Grange, Patrons of Husbandry, of Canton, N. Y., praying for the passage of the so-called "parcels-post bill," and also for the establishment of postal savings banks, which was referred to the Committee on Post-Offices and Post-Roads.

Mr. GALLINGER presented a petition of Lafayette Grange,